

50 years at the naval training station; to the Committee on Public Buildings and Grounds.

4856. Also, resolution passed by the board of aldermen in the city of Newport, R. I., protesting against the removal of the U. S. S. *Constellation* from its present anchorage at the naval training station, Newport, R. I., and where it is annually visited by many thousands of visitors to the State because of its historical career in the naval service during the War of 1812; to the Committee on Public Buildings and Grounds.

4857. By Mr. RUTHERFORD: Petition of sundry residents of Montour County, Pa., favoring legislation to stop the advertising campaign for the sale of alcoholic beverages by press and radio; to the Committee on Ways and Means.

4858. By Mr. SHAFER of Michigan: Petition of the Michigan Federation of Post Office Clerks, asking for appointment of joint congressional committee to investigate conditions surrounding employment of substitute post-office clerks; to the Committee on Rules.

4859. Also, resolution of the Pennsylvania State Bar Association, endorsing Senate bill 915 and House bill 6324; to the Committee on the Judiciary.

4860. By the SPEAKER: Petition of the Michigan Federation of Post Office Clerks, Detroit, Mich., petitioning consideration of their resolution with reference to postal-employee legislation; to the Committee on Rules.

## HOUSE OF REPRESENTATIVES

SATURDAY, JULY 22, 1939

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, we ask Thee to read our hearts and know our minds. May we pray not for wealth or fame but for eyes to behold the truth and for a realizing sense that knows the eternal right. Clothe us with a manly faith, strong, courageous, which even dares with heart and hand to stoop to the lowliest of Thy children. We pray, dear Lord, for strength that never wavers, for a hope that never grows dim, and for those material blessings which the righteous may enjoy without harm and hold without wrong. Almighty God, give us power to gain dominion over selfishness, envy, and resentment. In every situation the Lord give us strength to hold on to our better selves. In our Redeemer's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 2065. An act to provide for the regulation of the sale of certain securities in interstate and foreign commerce and through the mails, and the regulation of the trust indentures under which the same are issued, and for other purposes.

The message also announced that the Senate had passed a bill and joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1610. An act to prevent discrimination against graduates of certain schools, and those acquiring their legal education in law offices, in the making of appointments to Government positions the qualifications for which include legal training or legal experience; and

S. J. Res. 176. Joint resolution providing for participation by the United States in the celebration to be held at Fort McHenry on September 14, 1939, in celebration of the one hundred and twenty-fifth anniversary of the writing of The Star-Spangled Banner.

### EXTENSION OF REMARKS

Mr. ANDERSON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks and include therein an address by Dr. McCormick, grand exalted ruler of the Elks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SHANNON. Mr. Speaker, I rise to ask unanimous consent to have printed in the Record an address delivered yesterday, July 21, by Col. J. Rion McKissick, president of the University of South Carolina, on Manassas Battlefield, at the presentation of a monument in respect to Gen. Barnard Elliott Bee.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BLAND. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on the railroad bill and to include certain quotations.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

### REGISTRY OF PURSERS AND SURGEONS AS STAFF OFFICERS ON VESSELS

Mr. BLAND. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6076) to provide for the registry of pursers and surgeons as staff officers on vessels of the United States, and for other purposes, with Senate amendments, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 8, strike out "50" and insert "100."

Page 3, line 22, after "any" where it appears the second time, insert "such."

Page 3, line 23, after "States," insert "designated therein."

Page 4, line 13, strike out all after "Provided," down to and including "operations" in line 15 and insert "That the provisions of this act shall not apply to any vessel of the United States operated on bays, sounds, inland waterways, and lakes, other than the Great Lakes, or to passenger ferries and car ferries operated on the Great Lakes."

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman from Virginia tell us the effect of these amendments?

Mr. BLAND. The amendments really do not materially change the bill. The bill provided that on ocean-going vessels licensed to carry more than 50 passengers the officer in charge of the staff department should be the chief purser. The amendment increases that to 100 passengers.

The second amendment inserts, after the word "any", the word "such." It is a clarifying amendment.

Then there is another clarifying amendment which inserts the words "designated therein."

The other amendment inserted by the Senate was where we had provided that the provisions of the act should not apply to any vessel in the United States engaged in ferry operations. There was some question as to whether that sufficiently covered the situation, and the Senate amended it so that it would not apply to vessels operating on bays, sounds, inland waterways, and lakes, other than the Great Lakes, or to passenger ferries and car ferries operated on the Great Lakes.

That was the original intent of the bill as it passed the House, and we thought it was sufficiently clear, but it did develop that it was not, and this is simply a clarifying amendment.

Mr. MARTIN of Massachusetts. There are no substantial changes in the bill?

Mr. BLAND. There are no substantial changes in the bill.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

## COMMERCIAL LOANS

Mr. SECCOMBE. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. SECCOMBE. Mr. Speaker, this morning I am in receipt of a letter from one of the leading industrial manufacturers in my district, a very reliable company that manufactures farming equipment and factory supplies. The secretary and treasurer of this company informs me that a few days ago they received a letter from one of their leading representatives from another State, who states that he had a prospect for the purchase of a piece of farm equipment, and upon applying to his local banker for a loan of \$1,200 he was refused, but was told that they would let him have the money for the purchase of an automobile.

It appears that due to Federal legislation it is impossible to make loans on financial statements, and that the examiners of the Federal Reserve Board and the Federal Deposit Insurance Co. make them call in loans unless covered by liquid collateral, such as Government bonds or listed stocks. Most of these small businesses and manufacturers in my district do not have this kind of collateral and never did. At least this particular manufacturer did not and prior to the closing of the local banks a few years ago could go to his local banker and borrow a few thousand dollars upon the signing of a note and everything was satisfactory, but today, under certain Federal laws, he finds himself helpless to do this.

It seems our banks are loaded with millions of dollars to lend but, under the provisions, seem helpless to do so, and unless something is done immediately to correct this situation many of our industries will find it difficult to continue the struggle.

While I believe that Congress acted in good faith in creating these various boards and commissions such as the F. D. I. C. and others, it seems to me they do not function properly and are not administered correctly and are of very little, if any, help to anyone.

We also have millions of dollars frozen in banks and holding companies and if we wish to restore faith and confidence to small and large business, as well as the many depositors this money belongs to, we must correct this situation by either passing the proper legislation or rescinding that which has already been passed in order to correct such conditions and release some of this money.

Very shortly we will have to consider the President's spend-lend program, and from conditions as they now exist there seems to be plenty of money in the banks to lend. All we need to do is to pass the necessary laws and get some of the millions of people now unemployed and on relief back into private employment and we will have all the spend-lend we need without providing further legislation.

The SPEAKER. The time of the gentleman from Ohio has expired.

## ORDER OF BUSINESS

Mr. WARREN. Mr. Speaker, I ask unanimous consent to proceed for 30 seconds, in order to ask the majority leader and the gentleman from California a question.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. WARREN. I wonder if the majority leader and the gentleman from California [Mr. LEA] are in a position to state to the House what is going to be the policy about the consideration of the pending bill today?

Mr. LEA. I will state that it is the desire of the Committee to finish general debate. There are about 3 hours remaining. Then after the reading of the first section a motion to rise will be made.

Mr. WARREN. In other words, all amendments to the first section of the bill would be in order when we take it up again next week?

Mr. LEA. Yes, sir.

Mr. WARREN. That is entirely satisfactory.

## WOOL-LABELING BILL

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, I am asked daily by Members, What is the status of the wool-labeling bill?

A wool-labeling bill was passed by the Senate yesterday by a roll-call vote of 48 to 23. A wool-labeling bill has been reported out by the Committee on Interstate and Foreign Commerce of the House and is now pending before the Committee on Rules for a rule.

Many Members are interested in this bill. It has the endorsement of the American Farm Bureau Federation, the National Grange, the National Farmers Union, the National Farm Guild, the National Federation of Women's Clubs, the American Federation of Labor, and many large consumer organizations in the country. It is sincerely hoped that the Committee on Rules will report out a rule and enable the House to consider the bill at this session of Congress.

[Here the gavel fell.]

## AMERICAN ASSOCIATION OF STATE HIGHWAY OFFICIALS

Mr. CROWE. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 10 providing for the establishment of a joint committee to convey to the members of the American Association of State Highway Officials the appreciation of Congress of their accomplishments in the field of highway development.

The Clerk read the title of the resolution.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I understand this involves no expense to the Government.

Mr. CROWE. This involves no expenditure whatever on the part of the Federal Government.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Clerk read the resolution, as follows:

## House Concurrent Resolution 10

Whereas this year marks the twenty-fifth anniversary of the organization of the American Association of State Highway Officials, which is composed of officials of the highway departments of all the States, Hawaii, Puerto Rico, the District of Columbia, and the United States Bureau of Public Roads; and

Whereas said association, through its members, represents the State and Federal governmental agencies which have constructed and maintained a vast system of highways throughout the Nation, which highways are becoming increasingly important in local and interstate transportation; and

Whereas said association has announced that it is planning to celebrate in a fitting manner this quarter century of road building at a national meeting to be held during the month of October 1939 in the cities of Washington, D. C., and Richmond, Va.: Therefore be it

*Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the splendid results which have been accomplished in the vital development of our national highway-transportation system merit an expression of public appreciation by the Congress.*

SEC. 2. A special committee of the Congress is hereby established, to consist of three Members of the Senate, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to convey to the members of the American Association of State Highway Officials at the national meeting of said association to be held in the cities of Washington, D. C., and Richmond, Va., during the month of October 1939, an expression of appreciation by the Congress of the praiseworthy accomplishments realized under their leadership and direction in the field of highway development.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.



## EXTENSION OF REMARKS

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to extend my own remarks on the pending bill.

The SPEAKER. Without objection, it is so ordered.  
There was no objection.

Mr. COLE of Maryland. Mr. Speaker, I ask unanimous consent to include in an extension of remarks under the general authority granted on the transportation bill, tables, excerpts from testimony, and a few letters on the subject.

The SPEAKER. Without objection, it is so ordered.  
There was no objection.

Mr. CELLER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD in two particulars: First, on the R. F. C.; second, concerning neutrality, including therein a brief observation made by Frederic William Wile.

The SPEAKER. Without objection, it is so ordered.  
There was no objection.

## PHILIPPINE INDEPENDENCE

Mr. SABATH, from the Committee on Rules, submitted the following resolution (Rept. No. 1249) for printing under the rule:

## House Resolution 268

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 7096, a bill to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes." That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Insular Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

## PERMISSION TO ADDRESS THE HOUSE

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.  
There was no objection.

[Mr. LEAVY addressed the House. His remarks appear in the Appendix.]

## EXTENSION OF REMARKS

Mr. McCORMACK asked and was given permission to extend his own remarks in the RECORD.

## ASSISTANCE TO GOVERNMENTS OF AMERICAN REPUBLICS

Mr. COLMER, from the Committee on Rules, submitted the following resolution (Rept. No. 1250) for printing under the rule:

## House Resolution 269

*Resolved*, That immediately upon the adoption of this resolution, it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of House Joint Resolution 367, a joint resolution to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment, the Committee shall rise and report same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

## GOVERNMENT LOANS TO SMALL BUSINESS

Mr. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Without objection, it is so ordered.  
There was no objection.

Mr. MAY. Mr. Speaker, the gentleman from Ohio [Mr. SECCOMBE] a few moments ago referred to an incident where

a farmer applied to a bank for a \$1,200 loan, but failed to receive the loan due to regulations of the Federal Reserve System and of the Federal Deposit Insurance Corporation. The gentleman from Ohio is quite right so far as he went but he did not go far enough. Regulations by Government bureaus are a real impediment to business, and competition by Government in business adds to the fear of private enterprise.

Forty billion dollars of funds lie idle in the private banks of the country. In a few days we are going to be asked to consider another spending-lending program after this Congress has appropriated \$13,000,000,000. That means the Government is going to continue to compete with its own taxpayers and we will never have recovery so long as this system continues.

My purpose in making these few remarks this morning is to ask the House of Representatives as a whole, or some Member of it even though it be the gentleman from Pennsylvania [Mr. RICH], to find out between now and the time that bill comes up for consideration "where we are going to get the money," so that I will know how to vote. [Applause.]

[Here the gavel fell.]

## EXTENSION OF REMARKS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include some tables on imports and exports.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. REED]?  
There was no objection.

Mr. THORKELOSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include excerpts from the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana [Mr. THORKELOSON]?  
There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the Appendix of the RECORD, and to include a brief article from Field and Stream on pending legislation.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. GEARHART]?  
There was no objection.

Mr. JENKS of New Hampshire. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein an editorial from the Chicago Daily News.

The SPEAKER. Is there objection to the request of the gentleman from New Hampshire [Mr. JENKS]?  
There was no objection.

Mr. CASE of South Dakota. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and to include an article on the distinguished minority leader entitled "The Man Who Believes We Can."

The SPEAKER. Is there objection to the request of the gentleman from South Dakota [Mr. CASE]?  
There was no objection.

Mr. VREELAND. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include therein a brief article from the East Orange Record.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. VREELAND]?  
There was no objection.

Mr. THILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD, and to include a short newspaper item.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. THILL]?  
There was no objection.

Mr. FISH asked and was given permission to extend his own remarks in the RECORD.

## NEUTRALITY

Mr. FISH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FISH]?

There was no objection.

Mr. FISH. Mr. Speaker, President Roosevelt is reported as saying that the action of Congress on the neutrality bill "killed off the nicest little business boom you ever saw." How can anyone have confidence any longer in President Roosevelt, when he makes such loose, ridiculous, and unfounded statements? Such absurd and fantastic Presidential illusions are enough to make the angels weep.

The stock-market record shows that stock prices have increased steadily and substantially since the House restored the arms embargo. Businessmen, if the action of Congress had any effect on the stock market, probably were reassured and believed that Congress would insist on a policy of neutrality, nonintervention, and peace abroad and stability and security at home.

The only business that might have been affected in case of war is that of the munitions makers. The only boom punctured was the Roosevelt third-term boom which blew up.

The President is afraid to take the arms embargo issue to the people as, irrespective of the attitude of the eastern internationally minded press, the American people—particularly in the Middle and Far West—are overwhelmingly for the arms embargo and a real neutrality bill, and against collective security and quarantining the world with our blood and treasure.

I challenge President Roosevelt to either take the neutrality and arms embargo issue to the country and let the people decide, or quit talking through his hat. My guess is that he does not dare to accept the challenge.

#### ECONOMIC CONDITIONS

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. Voorhis]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the primary reason there is idle money in the banks is because it consists of bank credit which will not move until there is an additional flow of money through the hands of the consumers of the Nation and a healthier price level for basic commodities, and especially farm commodities. The real trouble is with our method of creating money, our failure to exercise the constitutional power of Congress in this regard, and our failure to devise a tax-pension system which will keep consumer buying power in circulation. The proposed lending bill is not a bill which will cause an increase in taxation. It is a program involving Government investment, and every penny of that money will be repaid. As a matter of fact, even the proposed bond issues by the lending agencies could be avoided if we made use of some of our idle gold and silver as a base for this credit. The program then might yield a net income to the Government. Furthermore, the opponents of the present administration know full well that the one thing they can do which will be most effective in making the American people unjustly blame the present administration for their economic conditions is to block such a bill as the lending bill, or the housing bill, and to do such things as were recently done to the rank and file of W. P. A. workers in the bill which Congress passed. The more distress there is, the more likely a political overturn will be. I should hate to think anyone would be willing to increase the people's troubles to gain a political end.

But the people of America usually vote according to the general economic conditions existing at the time. There may not be much reason in this, but it is true. Those who oppose the present administration understand, without doubt, exactly what I mean. I do not accuse anybody of bad motives, but I think the people have the right to understand that at present the political interest of the reactionary forces of the country is, tragically enough, advanced by bad economic conditions among the people. But to anyone who is sincerely concerned about our people and our business conditions it is evidently of primary importance for this Congress to see to

it that further legislation to increase employment and buying power be passed before this Congress adjourns. Such legislation is no substitute for the fundamental things we should do—such as to bring our monetary system into line with present-day conditions. But it is essential right now. [Here the gavel fell.]

#### EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, if no one else desires recognition at this time, I ask unanimous consent to extend my own remarks in the RECORD and to include two short editorials, instead of one, from local newspapers showing the difference between the way Governor Murphy and Governor Dickinson handled the strike situation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Hoffman]?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD with two short paragraphs showing the difference between the way Governor Murphy handled the civil service and the way the present Governor of Michigan handled civil service.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. Voorhis]?

There was no objection.

#### INTERLOCKING BANK DIRECTORATES

Mr. CELLER submitted a conference report and statement on the bill (S. 2150) to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act.

#### CONSTRUCTION OF NEW BUILDING FOR THE NAVY DEPARTMENT IN THE DISTRICT OF COLUMBIA

Mr. SABATH. Mr. Speaker, in the absence of the gentleman from New York [Mr. Delaney] and in his behalf I submit a privileged report (Rept. No. 1253) from the Committee on Rules making in order the consideration of the bill H. R. 6830.

The Clerk read the resolution, as follows:

#### House Resolution 270

*Resolved*, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 6830, a bill to authorize the construction of new buildings for the Navy Department in the District of Columbia. That after general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Buildings and Grounds, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

The SPEAKER. The resolution will be referred to the House Calendar and ordered printed.

#### UNITED STATES RECLAMATION PROJECTS

Mr. WHITE of Idaho submitted a conference report and statement on the bill (H. R. 6984) to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes.

#### AMENDMENT OF INTERSTATE COMMERCE ACT

Mr. LEA. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2009) to amend the Interstate Commerce Act as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further



consideration of the bill S. 2009, with Mr. JONES of Texas in the chair.

The Clerk read the title of the bill.

Mr. LEA. Mr. Chairman, I yield 10 minutes to the gentleman from Tennessee [Mr. PEARSON].

Mr. PEARSON. Mr. Chairman, I have asked for this time in order to discuss the transportation bill, but I should like to take just a moment of the time allotted to me to reply to the statement just made by the gentleman from New York [Mr. FISH] with reference to the President of the United States.

I have sat on this floor for 5 years and listened to that gentleman criticize in most vituperative language the Chief Executive of this Nation. I should like to say in all good feeling that if the time ever comes when my district—as has the gentleman's from New York—has the honor to furnish to this Nation its Chief Executive, I intend to have too much respect for the office which he holds to criticize him as an individual or as an official in the public life of this Nation. [Applause.] We owe that much respect to the Chief Executive of this Nation, no matter who he is or what his political beliefs may be. The people of the Nation have confidence in him or they would not have placed him there, and as long as he serves in an honorable way as President of the United States it seems to me it ill becomes any man serving in the legislative branch of this Government to level at him bitter personal criticisms. It is unnecessary and inexcusable. Every patriotic American resents it and I share their resentment.

Mr. Chairman, I know that every Member of this House is anxious to see the enactment of legislation which will help to promote and stabilize the transportation systems of this country, and whatever differences we may have grow not out of a lack of interest in the subject but rather in the method of approach. The bill before you is the product of weeks and months of study and consideration, and I want to assure the membership of the House that your Committee on Interstate and Foreign Commerce offers it in the conscientious belief that it will partially remedy and remove the unfortunate and detrimental conditions which are destroying and deterring economic operation of every mode of transportation upon which we depend.

This measure is not offered as a railroad bill, a waterway bill, or a trucking bill, but as a transportation bill in the broadest sense of the term. It has already been explained, and I simply want to discuss it and its objectives in a general way.

When America was first established as a western frontier we were dependent upon what Nature gave us for transportation facilities, and commerce moved by trails and streams. Rapid expansion and development soon made it apparent that faster and better methods must be devised, and then came the development of railroads and highways penetrating the remotest corners of this continent. Only through them could the entire population be adequately served. Billions of dollars have been invested in these systems, supplemented by millions spent on the waterways. Thus we have established competing systems of transportation, and with the passing years the importance of each one in our economic life has grown increasingly important. They are all wards of the Government and property of the people of this country. They must be preserved. They must be protected from imposition, and each must be given a chance to exist and prosper under fair competitive conditions.

We are all familiar with the history of the railroads and conditions which brought them under regulatory control and supervision by the Interstate Commerce Commission. They had to be protected against themselves. With the development of transcontinental highways and inland waterways we have gradually brought about devastating competition between the different kinds of transportation that once existed between competing railroads, and now we are confronted with the task of doing something to remedy a very dangerous situation which is threatening the most important industry in our economic life.

As I see it we must do one of three things, namely:

First. Withdraw and repeal all existing regulations over rails and roads and leave the competitive warfare to the survival of the fittest.

Second. Permit the Government to take over waterways and rails and trucking rights and operate a socialistic system of transportation.

Third. Place all systems of transportation under uniform and unified control.

Certainly no one wants to see self-destruction of any system of transportation by unfair and unrestricted competitive conditions; few, if any, want to see the United States Government in the transportation business, and all of us want to do the thing that is necessary to avoid both. There is only one remedy—place all of them under the supervision and jurisdiction of one regulatory body charged with the duty of dealing fairly with each of them and thereby preserve for the people of this country every form of transportation to which they have been accustomed.

This bill does just that and, in my opinion, based not upon speculation but upon existing facts and conditions as shown in the hearings on this bill, if it is enacted into law it will ultimately prove beneficial to nearly 2,000,000 people employed by railroads, trucks, and water carriers, the owners of the systems, and the consuming public.

Some who have spoken on this bill express concern for the consumers and shippers of the Nation if this bill is passed, but they should be more concerned about them and their welfare if we do not pass it. Therein lies the danger to their interests. If we do not do something to relieve existing conditions we are going to create a nation of individual "transportationists," permitting the destruction of those systems which best serve the shipping and consuming public, creating unemployment and untold inconvenience and burdensome expense to the people as a whole.

For 50 years the railroads of this country have been under regulatory supervision of the Interstate Commerce Commission, for nearly 5 years busses and trucks have been regulated by the same body, and, despite the fact that both systems bitterly fought such regulation, I venture the assertion that today not one of them would want to engage again in unregulated competition. I well recall the arguments made in 1935 against bringing the trucks under governmental regulation. We were told then, as we are told now, that it would destroy competition and raise rates; that the consumer would suffer, and particularly that the farmers would be the helpless and innocent victims of the destruction of that mode of transportation upon which they depended. Subsequent experience has shown how utterly absurd these claims were. The Motor Carriers Act has done much to restore order from chaos, and where is to be found today one who would repeal the law or who will say that the owners of the carriers, the shippers, or the consumers have been injured by the enforcement and administration of that act?

Title II of this bill seeks to bring water carriers, generally speaking, under the control of the Interstate Commerce Commission. This objective is not for the purpose of destroying or hampering them in their operation, nor is it for the purpose of raising freight rates. It is for the purpose of coordinating transportation service throughout the Nation, affording unified control and regulation, adjusting unfair competitive conditions, and eventually saving for the public all forms of transportation. This bill is so drawn that even a casual reading will show that there is no purpose or intention to adjust rates in such manner as to deprive any carrier of the inherent advantage of its cheaper carrying costs. A coordination of rates must of necessity take into consideration and regard the advantage of one type of transportation over another, and this bill in its declaration of policy, made a part of the basic act, states that the purpose is "to provide for fair and impartial regulations of all modes of transportation \* \* \* so administered as to recognize and preserve the inherent advantages of each."

At present our system of water transportation is in a state of confusion. The Maritime Commission regulates a

portion of it, the Interstate Commerce Commission controls and regulates a portion of it, and a considerable portion is unregulated and operates without regard to other systems and with no uniform treatment of shippers. The Government has no authority to prevent discrimination and as a result land transportation and water carriers themselves suffer. This measure will clarify this situation and through complete and unified control will bring about a discontinuance of destructive competitive methods.

Mr. Chairman, as one who comes from a State and district enjoying all modes of transportation affected by this act I do not hesitate to support this bill because I believe its purpose is to improve the Nation's transportation system and because the welfare of these agencies is a matter of concern to them. They want and are entitled to economic service and they know the best way to get it is through equal and just treatment of competitive carriers and the preservation on a fair basis of all competitive systems.

In this connection I might add that the people of my section are vitally interested in section 6, subsection (1) (b), of the bill, which authorizes the Interstate Commerce Commission to investigate the rates on manufactured products for the purpose of determining whether said rates are unjust, unreasonable, or unlawful in and of themselves, or in their relation to each other, and to enter such orders as may be appropriate for the removal of any unlawfulness which may be found to exist.

This section would make possible a correction of rate differentials found to be unjust or discriminatory. While it does not go as far as I would like to see it, it does open an avenue for full consideration and correction of a great injustice being done many sections of the country. If pursuant to this authority the Commission does not correct existing evils in the freight-rate structure of the Nation then Congress can, and I believe will, do so on its own responsibility.

My friend from North Carolina [Mr. WARREN] said on yesterday he was one of a group of 125 Members of the House who met in January to protest against the terrific discriminations in freight rates against the South and West and he does not want to hear anyone who attended these meetings from Tennessee and other States protesting further against those discriminations if they vote for this measure, but to go back and tell the people that, under the pressure of a great lobby we could not resist, we voted to take away from them the very last thing they had to hold down freight rates in our sections.

I was one who attended those meetings and I am one who is supporting this bill. And I say to him that this bill presents the first and only opportunity that we have ever had to correct the evils about which we complain, and if he opposes it he will be the one who is in an inconsistent position and will have to say to the people back home that he deprived them of the only chance they have ever had to rid themselves of the shackles and bondage of unfair rates. Not only do we have this opportunity through this section which authorizes a correction but through the enforcement and administration of this bill in its entirety. Unless something is done to integrate, unify, and uniformly control every method of transportation, the very collapse of a part of it will increase freight rates throughout the Nation to an unbearable degree. Waterways only go where God makes it possible for them to go but railroads and highways go wherever man wants to send them, and if we have to depend upon any one of them because of our failure to help all of them we destroy every hope and vestige of suitable transportation at reasonable cost.

Commissioner Splawn, when he appeared before the committee in support of legislation of this type, stated that in the consideration of the question involved we would have to think in terms of the greatest good for all the people of the country and that is the manner in which I have approached it. It should be the first consideration when acting upon a matter which affects so vitally every citizen of this country and I sincerely believe that what we do in this bill will redound to the benefit of all alike. Our trans-

portation industry cannot survive much longer under present conditions and nothing could be more disastrous to our economic welfare than to permit any part of it to disintegrate or be destroyed because of lack of governmental interest and protection.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, this pending legislation will seriously affect the economic well-being of every man, woman, and child in these United States. The original draft of this legislation came from the Committee of Six. The Committee of Six were all railroad men, either executives or employees, and in that legislation they divided up the transportation phases of this country like a captured province, and prepared to make the American people and future generations pay through the nose for transportation. To the credit of the committee having in charge this bill, the present bill is a much softer version, somewhat sugar-coated, it is true, but in the main having the same objectives as were present in the original Lea bill.

The House should remember that this bill must go through the hazards of conference, and he who runs may read that when this legislation comes back from conference it will tie the public hand and foot.

May I say preliminarily that the railroads in their palmiest days never enjoyed such power as they are given under this bill. I speak the language of the highly intelligent leaders of the railway employees when I say that the effect of this legislation will be to make the international bankers, Kuhn, Loeb & Co. and J. P. Morgan & Co., the actual managers of the class I railroads, the masters of American transportation.

#### THE DEVELOPMENT OF AMERICA

I wish to state at this time that I make no war on the railroads. They have played an important part in the development of America and are essential to our national life and progress.

I will vote for any legislation which will enable the railroads to put their house in order, even to the extent of further loans from the R. F. C. for the purchase of equipment, but I am unalterably opposed to the creation of a transportation monopoly which will certainly slow this country down and seriously handicap the farmer and city dweller alike.

Distances in America are so great that adequate, low-cost transportation is essential to the life of our people. In some sections of the country we have great surpluses of the products of agriculture and industry for which there is no sale. In other sections there is suffering because of an unsatisfied demand for these products which cannot be carried to the sections where they are needed because of the prohibitive, excessive cost of transportation.

#### HIGH FREIGHT RATES FOR FARMERS

I have some background on transportation matters, having served as a member of the Rivers and Harbors Committee for 10 years. Early in my service I was greatly shocked by testimony before the committee which told of farmers in the Snake River country in Idaho who had to pay to carry a bushel of wheat 100 miles more than the wheat was worth. I was greatly shocked when a farmer from the State of Washington testified that he had \$20,000 worth of luscious apples, which are grown in that section, but that the freight rate was \$15,000 and the barreling and the handling of the apples involved a cost of \$3,000, which ran his total expense to \$23,000. He testified that he had to leave the apples on the trees, because he could not market them except at a loss of \$3,000. He further testified that since he had gone into that country railroad rates had been quadrupled by the Interstate Commerce Commission, although when he settled there in its beginnings, the railroads had told him freight rates would be reduced with an increase in population.

The able gentleman from Indiana [Mr. HALLECK] adroitly brought Mr. O'Neal, of the Farm Bureau Federation, into the picture. He did not tell you that Mr. Pelley, the head of the railroad lobby, which is spending \$10,000,000 in this year of our Lord in lobbying, had as his guest in Florida, tarpon fishing for a week at a time on two occasions, Mr.



O'Neal of the Farm Bureau Federation. They traveled there in a special train, and it is, perhaps, too much to hope that that environment did not have some effect on Mr. O'Neal's viewpoint.

In this same Rivers and Harbors Committee I learned that our exports were cut off, because the Canadian farmer, over privately owned railroads and by public waterways, is able to market his grain at one-half the price the American farmer pays for transportation.

So I say that the transportation system in the United States, under whosever auspices it is, has been a complete debacle so far as the farmer is concerned.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. CULKIN. If the gentleman will just let me go on, please, I shall be pleased to yield later.

This testimony to which I have referred excited my interest, and in some measure my wrath, because I did not think that America was accomplishing her true economic destiny, and I have been seeking a way out of this dilemma for both the farmer and the city dweller. No relief can be had for these groups through this legislation; on the contrary, this bill puts the American people, farmer and city dweller alike, in an economic strait jacket.

#### BUREAUCRATIC CONTROL

In the course of my investigation of this subject I looked into the performances of the I. C. C., concerning which some gentlemen speak with bated breath. I regard them as railroad-minded; and bitter experience has shown that this Commission, with several notable exceptions, has not been concerned with the transportation problems of the farmer or the consumer. The chief concern of this Commission, as is apparent from its written record, is to enable the railroads to continue to pay interest and dividends on their bonds and stocks, which represent the railroads' swollen and watered capitalization. That they failed to do this is no fault of the Commission. One fact will make this clear. It will make clear how completely this austere outfit has muffed the transportation problems of the American people. The Commission's appraisal of the value of the railroads, made largely by railroad employees, is over \$26,000,000,000. The present market value of the stocks and bonds of the railroads, as furnished me by the Interstate Commerce Commission, is \$9,000,000,000. It is a far cry from \$9,000,000,000 to \$26,000,000,000; but this fact has not deterred this railroad-minded Commission from endeavoring to make the American people pay a return on \$18,000,000,000 worth of value which market reports show does not exist.

I exempt from my condemnation of the Commission Commissioner Eastman and several other members of the Commission, who have protested times without number against this outrageous procedure.

Let me give you the type of the reasoning which pervades the reports of this august Commission. The Commission has repeatedly pointed out that the value for rate-making purposes has little, if any, relation to the economic value of the property, and it disregards this value for rate-making purposes. To illustrate this point, the following comparisons between the economic value and the value for rate-making purposes are shown: Take the Ulster & Delaware Railroad. The value for rate-making purposes was \$6,468,019 (110 I. C. C. 335), while the economic value was \$2,500,000 (175 I. C. C. 65). The economic value represents about 39 percent of the value for rate-making purposes.

Then there was the Boyne City, Gaylord & Alpena Railroad, which was valued for rate-making purposes at \$1,706,000 (119 I. C. C. 778), while the economic value was fixed at \$230,000 (180 I. C. C. 538). The economic value represents 14 percent of the rate-making value.

Here is another poser, the Chicago, Attica & Southern. That was valued for rate-making purposes at \$3,382,000, while the economic value was placed at \$165,000 (187 I. C. C. 527), or 5 percent of the rate-making value.

If the House is interested in this question, I refer Members to the dissenting opinion filed by Commissioner Porter, re-

ported at 117 I. C. C. 181 and 439. What an absurd, even a monstrous basis for rate making. And yet this is the procedure on which the railroads annually make a pilgrimage to the I. C. C. and ask for and obtain an increase in rates.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

#### RED TAPE AND DELAY

Mr. CULKIN. In just a moment. Lawyers will tell you today that it is more difficult to get into the I. C. C. with a case than it is into the Supreme Court. It costs thousands of dollars to try a case before the Interstate Commerce Commission, and an average of 3 years to get a decision on one. One famous case has run 15 years, and they are still taking testimony, although the Commission has never seen a line of the testimony. A number of other cases have run 4 and 5 years without a decision. This outfit has all the externals of a court, but none of its probity or civic consciousness. The fact is that at the turn of the century the railroads took over the Interstate Commerce Commission, and since then they have absolutely written their own ticket. Year after year freight rates have increased by leaps and bounds by the Commission, at the direction of the railroads, and the farmer in many instances has had to let his crop remain in the ground or his fruit on the trees, because he could not meet these ever-increasing rates, and get his product to the consumer in the cities.

During this period the Commission has not regulated the railroads; the railroads have regulated the Commission. When men in public life say that the railroads are being regulated I do not doubt their sincerity, but I do question their serious study of this problem.

For the past several years the American public has been deluged with propaganda in behalf of the railroads, the cost of which is said to run over \$10,000,000 a year. They have flooded the country with false and lying statements concerning the economics of truck and water transportation. The average American is a kindly soul, and has more or less been taken into camp by this artful and skillful propaganda carried on through paid advertising, oftentimes reflected in the editorial pages of our newspapers.

The railroad lobby says that the trucks pay no taxes. As a matter of fact, they pay annually \$417,000,000,000 in taxes. This is 47 percent of the value of truck property and \$89,000,000 more than the railroads pay in taxes annually. The trucks serve 50,000 communities in the United States which are at present without railroad transportation. Approximately 8,000,000 people live in the areas where there is no rail service. It is estimated there are another 25,000,000 of our citizens who live in areas where the railroad service is marginal, a train a day being the usual procedure. These people have been getting conveniences and necessities by daily service from the trucks at reasonable cost. These trucks employ 3,545,000 men, over three times the employment given by the railroads. The trucks carry but 5 percent of the national tonnage. They have been a godsend as an employment agency in these troublesome times. They have been a godsend because they bring the conveniences and necessities of life to our people everywhere.

#### THE TRUCKS

In 1935 we passed a truck act which placed trucks under the Interstate Commerce Commission. The people up to that time were getting an excellent service at reasonable cost. Today truck rates are within 90 percent of railroad rates, and it is impossible to get information from the Commission as to their treatment of these truck cases. Many truckers have petitioned that these truck rates be reduced. Their applications have been in vain, and the Commission in many cases is now compelling trucks to charge an average of 40 percent more than the trucks feel justified in asking. This, if you please, is for the purpose of making the rails competitive with the trucks. This is the Commission which in legal theory represents the public interest. It is, in fact, bureaucracy at its very worst. There are some other scandalous stories afloat concerning this Commission. They

are hearsay, and I will not repeat them. Congress, as a necessary preliminary to this legislation, should investigate this Commission thoroughly and find out what is rotten in Denmark.

#### WATER TRANSPORTATION

This bill proposes to put common carriers by water under the Interstate Commerce Commission. Note this: Whenever the I. C. C. has jurisdiction of water rates—and they have jurisdiction now of joint rail and water rates—the rates on water have gone up to within 10 percent of the rail rates. Here is an illustration. It costs \$1.85 to carry 100 pounds of freight from Gulf ports to New York, a distance of 1,800 miles, under this regulation. It costs but 80 cents to carry a hundred pounds of freight from Gulf ports to Kobe, Japan, a distance of over 6,000 miles. In other words, it costs twice as much to carry freight from Gulf ports to New York than it does to carry it 6,000 miles to Japan.

#### NORTHWEST ORDINANCE

I am sure that you were thrilled yesterday by the able, statesmanlike discussion of this question by the gentleman from New York [Mr. WADSWORTH]. His viewpoint is always valuable and courageous. In his discussion he seemed to be laying down the doctrine enunciated in the Northwest Ordinance of 1777, passed by the Continental Congress of July 13, 1787. Listen to the content of this article IV of this ordinance, and then compare it with the text of the distinguished gentleman's speech. The ordinance is as follows:

#### ARTICLE IV

The navigable waters leading into the Mississippi and St. Lawrence, and the carrying places between the same, shall be common highways, and forever free, as well to the inhabitants of the said territory as to the citizens of the United States, and those of any other States that may be admitted into the Confederacy, without any tax, impost, or duty therefor.

Thus, the founding fathers wrote into law the theory of free navigation. This was their viewpoint, even before the birth of the railroads. They decreed that the rivers and the streams should remain unshackled. This pending legislation attempts to undo the spirit and letter of that great document which, I am advised, is still law today in many of the Western States.

#### LOW-COST TRANSPORTATION NECESSARY

In the present national situation, when so many of our people are leading marginal lives, with the frontiers gone and our distances so great, low-cost transportation is essential to our national life. Water transportation is the first and last line of defense of our people in this field. The latest figures available show that in 1937 there were 583,100,000 tons carried over our coastal and internal waterways. This tonnage was carried at an average of one-tenth of the railroad rates, and I emphasize here in response to the suggestion of the last speaker that water transportation and rail transportation are in no sense competitive. They are in a distinct class.

I wish to say at this point, also, that in the development of our waterways, we have had the advantage of the advice and almost the direction on economic determination of those great public officers, the greatest public officers of any popular government in the history of the world, the United States Army engineers. Their findings are supreme in the field. No project is adopted except after it is recommended by them. The economic savings to the American people have paid the costs of these waterways a thousand times over. In addition they have been of immeasurable value to the man on the street and the farmer on land.

Savings in transportation are always reflected back to the people. A red herring was drawn across the trail in the other body by the senior Senator from Montana. It will probably be suggested here. I hold in my hand 86 certificates from 86 distributors and jobbers who handle from 300,000 to 50,000,000 gallons of gasoline annually. These jobbers certify that the savings on transportation are always reflected back to the people. The certificates follow:

PATCHOGUE, N. Y.

#### Know All Men That:

I, Marcelle D. Marran, president of W. R. Marran's Sons, Inc., located at Patchogue, N. Y., which owns and operates a bulk-oil

water terminal at Mulford Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 14th day of July 1939.

[SEAL]

MARCELLE D. MARRAN,  
President, W. R. Marran's Sons, Inc.

#### Know All Men That:

I, A. H. Elkind, vice president of the Elm Coal & Oil Corporation, located at 719 South Columbus Avenue, Mount Vernon, N. Y., which owns and operates a bulk-oil water terminal at 719 South Columbus Avenue, Mount Vernon, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 14th day of July 1939.

[SEAL]

A. H. ELKIND,  
Vice President, Elm Coal & Oil Corporation.

POUGHKEEPSIE, N. Y., July 12, 1939.

I, C. M. Clay, Jr., of the C. M. Clay's Sons, Poughkeepsie, N. Y., own and operate a bulk-oil water terminal at Highland, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation costs reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said C. M. Clay's Sons this 12th day of July 1939. County of Dutchess.

C. M. CLAY, JR.,

Sole Owner, C. M. Clay's Sons.

C. J. SENKIER, Notary.

GLASTONBURY, CONN., July 13, 1939.

#### Know All Men That:

I, Willard G. Phelps, president of the Phelps Oil Co., Inc., located at Glastonbury, Conn., which owns and leases to James B. Berry Sons Co., Inc., of Oil City, Pa., who operate a bulk-oil water terminal at Glastonbury, Conn., which terminal received by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that they purchase the petroleum products which they market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that they negotiate contract and arrange for their transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 13th day of July 1939.

[SEAL]

WILLARD G. PHELPS,  
President, Phelps Oil Co., Inc.

NEW YORK, N. Y.

#### Know All Men That:

I, R. G. Phelps, vice president of the Meenan Oil Co., Inc., located at New York City, N. Y., sell and distribute our entire volume, all of which gallonage is handled by water transportation, consisting of domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of the said corporation this 13th day of July 1939.

[SEAL]

R. G. PHELPS,  
Vice President, Meenan Oil Co., Inc.

BUFFALO, N. Y., July 13, 1939.

#### Know All Men That:

I, James F. Breull, president of the Frontier Fuel Oil Corporation, located at 986 Ellicott Square, Buffalo, N. Y., which owns and



operates a bulk-oil water terminal at Buffalo, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating, and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and further that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 13th day of July 1939.

JAMES F. BREUIL,  
President, Frontier Fuel Oil Corporation.

ERIE, PA.

**Know All Men That:**

I, C. W. Gebhardt, secretary of the United Oil Manufacturing Co., located at Erie, Pa., which owns and operates a bulk-oil water terminal at Erie, Pa., which terminal receives by water the following grades of petroleum products—gasoline and industrial fuel oil—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and further that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

C. W. GEBHARDT,  
Secretary, United Oil Manufacturing Co.

**Know All Men That:**

I, Edward Shiner, treasurer of the Connecticut Refining Co., located at West Haven, Conn., which owns and operates a bulk-oil water terminal at West Haven, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 13th day of July 1939.

EDWARD SHINER,  
Treasurer, The Connecticut Refining Co.

**Know All Men That:**

I, F. S. Pulver, president of the Pulver Gas & Oil Corporation, located at Hudson, N. Y., which owns and operates a bulk-oil water terminal at Hudson, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 11th day of July 1939.

[SEAL]

FRANK S. PULVER,  
Pulver Gas & Oil Corporation.

CLEVELAND, July 11, 1939.

**Know All Men That:**

I, A. P. Byal, assistant secretary-treasurer of the Allied Oil Co., Inc., located at Cleveland, Ohio, which owns and operates a bulk-oil water terminal at Cleveland, Ohio, which terminal receives by water the following grades of petroleum products—domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries as well as various Great Lakes ports and refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 11th day of July 1939.

A. P. BYAL,  
Assistant Secretary-Treasurer,  
Allied Oil Co., Inc.

DETROIT, MICH.

**Know All Men That:**

I, M. P. Austin, president of the Chas. E. Austin, Inc., located at Detroit, Mich., which owns and operates a bulk-oil water terminal at 1071 Miller Road, Detroit, Mich., which terminal receives

by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 11th day of July 1939.

M. P. AUSTIN,  
President, Chas. E. Austin, Inc.

PHILADELPHIA.

**Know All Men That:**

I, Joseph M. Patterson, president of the Joseph M. Patterson & Co., Inc., located at 213 South Broad Street, Philadelphia, Pa., which owns and operates a bulk-oil water terminal at Philadelphia, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices at ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof, I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

JOS. M. PATTERSON,  
President, Joseph M. Patterson & Co., Inc.

**Know All Men That:**

I, William W. Miller, president of the Major Petroleum Co., located at Philadelphia, Pa., which owns and operates a bulk-oil water terminal at Forty-ninth Street and Botanic Avenue, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices at ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof, I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

WILLIAM W. MILLER,  
President, Major Petroleum Co.

ST. JOSEPH, MICH., July 5, 1939.

**OIL TRANSFER CORPORATION,**

17 Battery Place, New York, N. Y.

GENTLEMEN: Replying to your letter of the 3d inquiring as to whether or not water-transportation savings are passed on to the public, we wish to advise that upwards of 90 percent of gasoline moving into the State of Michigan is handled through water terminals and anyone following the price trends on gasoline will know that Michigan has the lowest average price of any State in the Northwest. Our markets are always at least 1 cent per gallon lower in price than in surrounding States who do not have the advantage of water-borne commerce.

It is physically impossible for anyone to compete in the gasoline business in the State of Michigan, where they have to depend on rail shipments and pay rail freight.

Very truly yours,

J. J. THEISEN,  
President, Theisen-Clemens Co.

HARRISON, N. J., July 5, 1939.

**Know All Men That:**

I, J. H. Quackenbush, secretary-treasurer of the Crown Oil Co., located at Harrison, N. J., which owns and operates bulk-oil water terminals at Harrison and East Newark, which terminals receive by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

J. H. QUACKENBUSH,  
Secretary-Treasurer, Crown Oil Co.

OYSTER BAY, N. Y.

**Know All Men That:**

I, Benjamin Shapiro, secretary-treasurer of the Commander Oil Corporation, located at Oyster Bay, N. Y., which owns and operates a bulk-oil water terminal at Oyster Bay, which terminal receives by

water terminal at 369-407 Riverside Avenue, which terminal receives by water the following grades of petroleum products, gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 7th day of July 1939.

[SEAL]

BENJAMIN SHAPIRO,  
Secretary-Treasurer, Commander Oil Corporation.

TARRYTOWN, N. Y.

**Know All Men That:**

I, Albert P. Husted, Jr., president of the A. P. Husted Co., Inc., located at Tarrytown, N. Y., which owns and operates a bulk-oil water terminal at Tarrytown, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 10th day of July 1939.

ALBERT P. HUSTED, JR.,  
President, A. P. Husted Co., Inc.

NEW YORK, N. Y.

I, George F. Sinram, president of the Marnis Oil Co., Inc., located at 417 East Thirty-seventh Street, New York, N. Y., which owns and operates a bulk-oil water terminal at One Hundred and Thirty-eighth Street and Harlem River, the Bronx, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating, and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries; and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July, 1939.

[SEAL]

GEORGE F. SINRAM,  
President, Marnis Oil Co., Inc.

NEW YORK.

**Know All Men That:**

I, S. S. Seltzer, vice president of the Royal Petroleum Corporation, located at 60 East Forty-second Street, New York City, N. Y., which owns and operates a bulk-oil water terminal at Sewaren, N. J., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating, and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contracts and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal, this 7th day of July 1939.

[SEAL]

S. S. SELTZER,  
Vice President, Royal Petroleum Corporation.

PASSAIC, N. J.

**Know All Men That:**

I, Wiley H. Butler, vice president of the Home Fuel Oil Co., located at 663 Main Avenue, Passaic, N. J., which owns and operates a bulk-oil water terminal at Passaic, N. J., which terminal receives by water the following grades of petroleum products, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices, f. o. b. port of Newark, Newark, N. J., ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL]

W. H. BUTLER,  
Vice President, Home Fuel Oil Co.

NEWARK, N. J.

**Know All Men That:**

I, H. Russ Van Vleck, president of the Northern New Jersey Oil Co., located at Newark, N. J., which owns and operates a bulk-oil

water terminal at 369-407 Riverside Avenue, which terminal receives by water the following grades of petroleum products, gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 7th day of July 1939.

H. RUSS VAN VLECK,  
President, Northern New Jersey Oil Co.

**Know All Men That:**

I, Harvey W. Lewis, secretary of the Lewis Coal & Oil Co., Inc., located at Port Washington, N. Y., which owns and operates a bulk-oil water terminal at Port Washington, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL]

HARVEY W. LEWIS,  
Secretary, Lewis Coal & Oil Co., Inc.

**Know All Men That:**

I, Frank Schoonmaker, secretary of the Maue Oil Co., located at Ossining, N. Y., which owns and operates a bulk-oil water terminal at Ossining, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 7th day of July 1939.

FRANK SCHOONMAKER,  
Secretary, Maue Oil Co., Inc.

**Know All Men That:**

I, Kenneth R. Field, treasurer of the Sunfield Co., located at Bridgeport, Conn., which owns and operates a bulk-oil water terminal at Waterview Avenue, Bridgeport, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 8th day of July 1939.

KENNETH R. FIELD,  
Treasurer, Sunfield Co.

GLENS FALLS, N. Y., June 30, 1939.

**Know All Men That:**

I, F. P. Moynahan, president of the Glens Falls Distributing Co., Inc., located at Glens Falls, N. Y., which owns and operates a bulk-oil water terminal at Dunhams Basin, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, fuel oils, and kerosene—and do hereby certify that we purchase the petroleum products which we market on the basis of posted price f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than the prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotation to the consumer.

In witness where I have hereunto set my hand and seal this 30th day of June 1939.

F. P. MOYNEHAN,  
President, Glens Falls Distributing Co., Inc.

MOUNT VERNON, N. Y.

**Know All Men That:**

I, William F. Bang, president of the Bang Petroleum, Inc., located at Mount Vernon, N. Y., which owns and operates a bulk-oil water terminal at Portchester, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we



purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

WILLIAM F. BANG,  
President, Bang Petroleum, Inc.

BRONX, N. Y.

**Know All Men That:**

I, Albert G. Schildwachter, secretary of Fred M. Schildwachter & Sons, Inc., located at 1769 Webster Avenue, Bronx, N. Y., which owns and operates a bulk-oil water terminal at 2970 East Tremont Avenue, which terminal receives by water the following grades of petroleum products—kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water transportation cost reflects itself in the competitive quotations of the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

ALBERT G. SCHILDWACHTER,  
Secretary, Fred M. Schildwachter & Sons, Inc.

NEW YORK, N. Y.

**Know All Men That:**

I, H. V. Peterson, treasurer of the Hartol Products Corporation of New England, located at 630 Fifth Avenue, New York, N. Y., which owns and operates bulk-oil water terminals at East Hartford, Conn., and Revere, Mass., which terminals receive by water the following grades of petroleum products—gasoline, kerosene, and light heating oils—do hereby certify that we purchase the petroleum products that we market on the basis of prevailing prices f. o. b. United States Gulf-ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

[SEAL] H. V. PETERSON,  
Treasurer, Hartol Products Corporation of New England.

In witness whereof I have hereunto set my hand and seal of said corporation this 30th day of June 1939.

RUTLAND, VT.

**Know All Men:**

I, Roy A. Manning, treasurer of the Manning Manufacturing Co., located at Rutland, Vt., which owns and operates a bulk-oil water terminal at Fort Ann, N. Y., which terminal receives by water the following grades of petroleum products—gasoline and kerosene—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

ROY A. MANNING,  
Treasurer, Manning Manufacturing Co.

BRONX, N. Y.

**Know All Men That:**

I, Frank J. Rella, president of the Public Service Oil Co., Inc., located at 2708 East Tremont Avenue, Bronx, N. Y., which owns and operates a bulk-oil water terminal at 1392 Commerce Avenue, on Westchester Creek, Bronx, N. Y., which terminal receives by water grade 2 domestic heating oil, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the customer, or consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

FRANK J. RELLA,  
President, Public Service Oil Co., Inc.

BOSTON, July 5, 1939.

**Know All Men That:**

I, F. E. Knox, New England manager of the James B. Berry Sons' Co., Inc., located at Boston, Mass., which owns and operates bulk-oil water terminals at Hartford, Conn.; Tiverton, R. I.; and Boston,

Mass., and which terminals receive by water petroleum products, such as gasoline, kerosene, and domestic heating oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices, f. o. b. New York ocean terminals and Boston ocean terminals, and that we negotiate contracts and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

F. E. KNOX,  
New England Manager, James B. Berry Sons' Co., Inc.

LYNN, MASS.

**Know All Men That:**

I, Solomon Burwen, president of the Leader Filling Stations Corporation, located at Lynn, Mass., which owns and operates a bulk-oil water terminal at Danvers, Mass., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, and domestic heating oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. Massachusetts ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL] S. BURWIN,  
President, Leader Filling Stations Corporation.

CROMWELL, CONN.

**Know All Men That:**

I, Everett M. Smith, vice president of The Franklin Terminal Corporation, located at Cromwell, Conn., which owns a bulk-oil water terminal at Cromwell, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we warehouse and store petroleum products for several companies who market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that they contract for their transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

[SEAL] EVERETT M. SMITH,  
Vice President, The Franklin Terminal Corporation.

NEW BRITAIN, CONN.

**Know All Men That:**

I, Ethel G. Johnson, assistant secretary of the Franklin Oil Equipment Co., located at New Britain, Conn., do hereby certify that we transport petroleum products for several companies who purchase the following grades of petroleum products: Gasoline, kerosene, domestic heating and industrial fuel oils; and that these companies market on the basis of posted prices f. o. b. New York, ocean terminals, or refineries, and that they contract for their transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

[SEAL] ETHEL G. JOHNSON,  
Assistant Secretary, The Franklin Oil Equipment Co.

NEW BRITAIN, CONN., July 6, 1939.

**Know All Men That:**

I, Rose L. Meltzer, secretary of the Rackliffe Oil Co., located at New Britain, Conn., which operates a bulk-oil water terminal at Cromwell, Conn., which terminal receives by water the following grades of petroleum products: Gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York, ocean terminals or refineries, and that we contract for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

[SEAL] ROSE L. MELTZER,  
Secretary, The Rackliffe Oil Co.

NEW YORK, N. Y., July 7, 1939.

**Know All Men That:**

I, W. A. Hamel, traffic manager of the Cities Service Oil Co., located at Sixty Wall Tower, New York City, N. Y., which owns and operates bulk-oil water terminals at Rochester, N. Y.; Syra-

cuse, N. Y.; Utica, N. Y.; Rensselaer, N. Y.; Kingston, N. Y.; Newburgh, N. Y.; Long Island City, N. Y.; Inwood, N. Y.; Mount Vernon, N. Y.; Secaucus, N. J.; and New Haven, Conn., which terminals receive by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we market the petroleum products on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof, I have hereunto set my hand this 7th day of July 1939.

W. A. HAMEL,  
Traffic Manager, Cities Service Oil Co.

BROOKLYN, N. Y., July 1, 1939.

**Know All Men That:**

The Arguls Gas & Oil Sales Co., Inc., located at Brooklyn, N. Y., which owns and operates a bulk-oil water terminal at Mill Basin, Brooklyn, N. Y., and Newtown Creek, Brooklyn, N. Y., which terminals receive by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils, does hereby certify that it purchases the petroleum products which it markets on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that it negotiates, contracts, and arranges for its own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 1st day of July 1939.

ARGULS GAS & OIL SALES CO., INC.,  
By BARNEY ROGOVEN, Secretary.

BROOKLYN, N. Y.

**Know All Men That:**

I, Leon Steinberg, president of the Concord Oil Corporation, located at Brooklyn, N. Y., which owns and operates oil water terminals at Inwood, Nassau County, and Brooklyn, on Newtown Creek, said terminals receive by water the following grades of petroleum products—kerosene and domestic heating oils—do hereby certify that we purchase the petroleum products which we market on a basis of posted price, f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our transportation with contract carriers, who operate bulk tank vessels, and that water rates are particularly lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

Rail rates from these bulk ocean terminals, or refineries to our water terminals costs anywhere from 1¼ to 1½ cents per gallon. At present we are purchasing fuel from these terminals at approximately 4 cents per gallon and reselling same, delivered in tank wagon to our customers, at 5¼ cents. Therefore, we cannot see how it would be possible for us to bring these products in by rail without adding the additional cost of doing so on to the consumer's price.

In witness thereto I have hereunto set my hand and seal of the said corporation this 5th day of July 1939.

[SEAL]

LEON STEINBERG,  
President, Concord Oil Corporation.

STAMFORD, CONN.

**Know All Men That:**

I, William Regnemer, president of the Stamford Oil Co., located at Stamford, Conn., which owns and operates a bulk-oil water terminal at Water Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 8th day of July 1939.

[SEAL]

WILLIAM REGNEMER,  
President, Stamford Oil Co.

NEW YORK, N. Y., July 7, 1939.

**Know All Men That:**

I, Landon B. Stableford, president of the Allied Oil Corporation, located at Bogota, N. J., which owns and operates a bulk-oil water terminal at Bogota, N. J., which terminal receives by water the following grades of petroleum products: Kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the

lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 7th day of July 1939.

[SEAL]

L. B. STABLEFORD,  
President, Allied Oil Corporation.

PASSAIC, N. J.

**Know All Men That:**

I, Wiley H. Butler, vice president of the Coastal Oil Co., located at 663 Main Avenue, Passaic, N. J., which owns and operates bulk oil water terminal at port of Newark, Newark, N. J., which terminal receives by water the following grades of petroleum products: Kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. American Gulf ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the low water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL]

WILEY H. BUTLER,  
Vice President, Coastal Oil Co.

WOODMERE, LONG ISLAND.

**Know All Men That:**

I, Joseph S. Hewlett, partner of the firm of Hewlett Bros., located at Woodmere, N. Y., which owns and operates a bulk-oil water terminal at Inwood, Long Island, N. Y., which terminal receives by water the following grades of petroleum products—kerosene and domestic heating oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal this 6th day of July 1939.

JOSEPH S. HEWLETT,  
Partner, Hewlett Bros.

BUFFALO, N. Y.

**Know All Men That:**

I, J. Warren Pfeifer, secretary of the Terminal Petroleum Corporation, located at Buffalo, N. Y., which owns and operates a bulk-oil water terminal at town of Tonawanda, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating, and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL]

J. WARREN PFEIFER,  
Secretary, Terminal Petroleum Corporation.

ROCHESTER, N. Y.

**Know All Men That:**

I, Frederick R. Huberlie, president of the Hub Oil Co., Inc., located at Rochester, N. Y., which owns and operates a bulk-oil water terminal at Rochester, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

FREDERICK R. HUBERLIE,  
President, Hub Oil Co., Inc.

PASSAIC, N. J.

**Know All Men That:**

I, Wiley H. Butler, vice president of the Home Oil Co., located at 205 River Drive, Passaic, N. J., which owns and operates bulk-oil water terminal at Passaic, N. J., which terminal receives by water gasoline, do hereby certify that we purchase such products which we market on the basis of posted prices f. o. b. Carteret, N. J., ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water



transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July, 1939.

[SEAL]

WILEY H. BUTLER,  
Vice President, Home Oil Co.

HARTFORD, CONN., July 5, 1939.

**Know All Men That:**

I, M. Krechevsky, secretary of the Hygrade Oil Co., Inc., located at Hartford, Conn., which owns and operates a bulk-oil water terminal at Rocky Hill, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

M. KRECHEVSKY,  
Secretary, Hygrade Oil Co., Inc.

MAMARONECK, N. Y.

**Know All Men That:**

I, LeRoy D. Kiley, president of the Mitchell Oil Corporation, located at Mamaroneck, N. Y., which owns and operates a bulk-oil water terminal at Mamaroneck, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

LEROY D. KILEY,  
President, Mitchell Oil Corporation.

HARTFORD, CONN.

**Know All Men That:**

I, Charles J. Sheketoff, treasurer of the American Coal Co., Inc., located at Hartford, Conn., which owns and operates a bulk-oil water terminal at East Hartford, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices, f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

CHAS. J. SHEKETOFF,  
Treasurer, American Coal Co., Inc.

ROME, N. Y.

**Know All Men That:**

I, Howard P. Sears, president of the Sears Oil Co., Inc., located at Rome, N. Y., which owns and operates bulk-oil water terminals at Rome and Utica, N. Y., which terminals receive by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

HOWARD P. SEARS,  
President, Sears Oil Co., Inc.

CLEVELAND, OHIO, July 5, 1939.

**Know All Men That:**

I, R. P. Beardslee, general manager of Marine Oil Terminal & Storage, Inc., of Cleveland, Ohio, which owns and operates a bulk-oil water terminal at Cleveland, Ohio, at Mary Street and Cuyahoga River, which terminal receives by water gasoline, do hereby certify that we purchase petroleum product which is marketed on the basis of posted prices f. o. b. ocean terminals or refineries as the case may be, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than the prevail-

ing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal this 5th day of July 1939.

R. P. BEARDSLEE,  
General Manager, Marine Oil Terminal & Storage, Inc.

BUFFALO, N. Y.

**Know All Men That:**

I, J. Warren Pfeifer, president of the Buffalo Oil Terminal, Inc., located at North Tonawanda, N. Y., which owns and operates a bulk-oil water terminal at North Tonawanda, N. Y., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

J. WARREN PFEIFER,  
President, Buffalo Oil Terminal, Inc.

NEW YORK, July 5, 1939.

**Know All Men That:**

I, Wm. C. McTarnahan, president of the Petroleum Heat & Power Co., whose main office is located at 511 Fifth Avenue, New York City, N. Y., which owns and operates bulk-oil water terminals at Forty-seventh Street, Manhattan; Newtown Creek, Brooklyn; Island Park, Long Island; Tarrytown, N. Y.; Stamford, Conn.; Chicago, Ill., which terminals receive by water the following grades of petroleum products, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices, f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

WM. C. MCTARNAHAN,  
President, Petroleum Heat & Power Co.

MIDDLETOWN, CONN.

**Know All Men That:**

I, J. H. Porteans, president of the Valley Oil Co., Inc., located at Portland, Conn., which owns and operates a bulk-oil water terminal at Brownstone Avenue, Portland, Conn., which terminal receives by water the following grades of petroleum products, gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices, f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

J. H. PORTEANS,  
President, Valley Oil Co., Inc.

PASSAIC, N. J.

**Know All Men That:**

I, Gaskel Goldstein, treasurer of the Peoples Petroleum Products Corporation, located at Delawanna, N. J., which owns and operates a bulk-oil water terminal at Delawanna, N. J., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oil—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

GASKEL GOLDSTEIN,  
Treasurer, Peoples Petroleum Products Corporation.

WILMINGTON, DEL., July 6, 1939.

**Know All Men That:**

I, Wilmer Stradley, president of the Diamond Ice & Coal Co., located at Wilmington, Del., which owns and operates a bulk-oil water terminal at Christiana River, Wilmington, Del., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do

hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

WILMER STRADLEY,  
President, Diamond Ice & Coal Co.

Witness:  
ELEANORE WARE.

**Know All Men That:**

I, F. L. Hayes, president of the Nassau Utilities Fuel Corporation, located at Roslyn, N. Y., which owns and operates bulk-oil water terminals at Great Neck, Roslyn, Oceanside, and Huntington, N. Y., which terminals receive by water the following grades of petroleum products: Gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we annually purchase approximately 20,000,000 gallons of petroleum products, which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

F. L. HAYES,  
President, Nassau Utilities Fuel Corporation.  
RACHEL E. SMITH,  
Notary Public, Nassau County, N. Y.

BROOKLYN, N. Y.

**Know All Men That:**

I, Irving Aronowsky, treasurer of the Brooklyn Oil Utilities, Inc., located at 820 St. Johns Place, Brooklyn, N. Y., which owns and operates a bulk-oil water terminal at 5101 Twenty-seventh Street, Long Island City, N. Y., which terminal receives by water the following grades of petroleum products: Gasoline, kerosene, domestic heating, and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof, I have hereunto set my hand and the seal of said corporation this 6th day of July 1939.

IRVING ARONOWSKY,  
Treasurer, Brooklyn Oil Utilities, Inc.

STAMFORD, CONN.

**Know All Men That:**

I, Samuel Gruber, president of the Independent Oil Co. of Connecticut, Inc., located at Stamford, Conn., which owns and operates a bulk-oil water terminal at 81 Water Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

SAMUEL GRUBER,  
President, Independent Oil Co. of Connecticut, Inc.

BRIDGEPORT, CONN., July 5, 1939.

**Know All Men That:**

I, Maurice J. Hoffman, vice president of the Michael Hoffman Fuel Co., located at Bridgeport, Conn., which owns and operates a bulk-oil water terminal at Bridgeport and Stamford, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels; that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

M. J. HOFFMAN,  
Vice President, The Michael Hoffman Fuel Co.

ST. JOSEPH, MICH., July 5, 1939.

**Know All Men That:**

I, J. J. Theisen, president of the Theisen-Clemens Co., located at St. Joseph, Mich., which owns and operates a bulk-oil water terminal at six points in the State, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

T. J. THEISEN,  
President, Theisen-Clemens Co.

HORSEHEADS, N. Y.

**Know All Men That:**

I, George Lee, president of the Southern Oil Co. of New York, Inc., with main offices located at Horseheads, N. Y., which owns and operates a bulk-oil water terminal at Syracuse, Waterloo, and Watkins Glen, which terminals receive by water the following petroleum products—gasoline, kerosene, and fuel oil—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and that these lower water-transportation costs reflect themselves in not only competitive prices but our prices are based in our contracts which have been issued for the last 4 years on prices posted f. o. b. New York plus transportation costs, or water rates, and the benefit of lower transportation costs is positively passed on to the buyer by our company.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL]

GEORGE LEE,  
President, Southern Oil Co. of New York, Inc.

STAMFORD, CONN., July 5, 1939.

**Know All Men That:**

I, Rocco Genovese, president of the Genovese Coal & Masons' Material Co., located at Stamford, Conn., which owns and operates a bulk-oil water terminal at 70 Davenport Street, Stamford, Conn., which terminal receives by water the following grades of products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

[SEAL]

ROCCO GENOVESE,  
President, The Genovese Coal & Masons' Material Co.

Witness:

M. C. CARUSO.

NEW YORK, N. Y.

**Know All Men That:**

I, H. V. Peterson, treasurer of the Hartol Products Corporation, located at 630 Fifth Avenue, New York, N. Y., which owns and operates bulk-oil water terminals at Bayonne, N. J.; Elizabethport, N. J.; Harrison, N. J.; Jersey City, N. J.; Paulsboro, N. J.; Baldwinville, N. Y.; and Green Island, N. Y., which terminals receive by water the following grades of petroleum products—gasoline, kerosene, and light heating oils—do hereby certify that we purchase the petroleum products that we market on the basis of prevailing prices f. o. b. United States Gulf ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 30th day of June 1939.

[SEAL]

H. V. PETERSON,  
Treasurer, Hartol Products Corporation.

**Know All Men That:**

I, Albert Caplan, president of the Elm City Filling Station, Inc., located at New Haven, Conn., which owns and operates a bulk-oil water terminal at South Front Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels,



and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

A. CAPLAN,  
President, Elm City Filling Station, Inc.

**Know All Men That:**

I, J. Henry Esser, president of the High Point Oil Terminals, Inc., with oil terminals located at Mount Vernon, Rye, Astoria, and Port Washington, New York State, own and operate bulk-oil water terminals at the above tidewater locations in and near New York City, which terminals receive by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contracts and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs; and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

[SEAL]

J. HENRY ESSER,  
President, High Point Oil Terminals, Inc.

**Know All Men That:**

I, William A. Hall, superintendent of the A. Brazos & Sons, Inc., located at Portland, Conn., which owns and operates a bulk-oil water terminal at Portland, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

WM. A. HALL,  
Superintendent, A. Brazos & Sons, Inc.

**Know All Men That:**

I, George F. O'Neill, manager of the McElligott Fuel Corporation, located at West Haven, Conn., which owns and operates a bulk-oil water terminal at 79 Water Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

GEO. F. O'NEILL,  
Manager, The McElligott Fuel Corporation.

**Know All Men That:**

I, William M. Farans, president of the Penn Petroleum Corporation, located at South Norwalk, Conn., which owns and operates a bulk-oil water terminal at 90 Water Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating, and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate contract and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

WM. M. FARANS,  
President, Penn Petroleum Corporation.

**Know All Men That:**

I, David Rubin, manager of the Benedict Co., located at 112 Water Street, New Haven, Conn., which owns and operates a bulk-oil water terminal at 112 Water Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating, and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing

railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer definitely.

In witness whereof I have hereunto set my hand and seal of said corporation, this 7th day of July, 1939.

DAVID RUBIN,  
Second Vice President, Benedict & Co., Inc.

**Know All Men That:**

I, A. N. Alderman, secretary of the Associated Gasolene Co., located at New Haven, Conn., which owns and operates a bulk-oil water terminal at South Front Street, which terminal receives by water the following grades of petroleum products: Gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 6th day of July 1939.

A. N. ALDERMAN,  
Secretary, Associated Gasolene Co.

**Know All Men That:**

I, E. L. Cleaves, vice president of the James B. Berry Sons' Co., Inc., located at 25 Broadway, New York City, N. Y., which owns and operates a bulk-oil water terminal at New York and Rhode Island, which terminal receives by water the following grades of petroleum products: Gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

E. L. CLEAVES,  
Vice President, James B. Berry Sons' Co., Inc.

**Know All Men That:**

I, Chester H. Canning, vice president of the Pacific Oil Co., located at Fall River, Mass., which owns and operates bulk-oil water terminals at Tiverton, R. I., and Boston, Mass., which terminals receive by water the following grades of petroleum products—gasoline, kerosene, domestic-heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 5th day of July 1939.

CHESTER H. CANNING,  
Vice President, Pacific Oil Co.

BRIDGEPORT, CONN.

**Know All Men That:**

I, S. J. Buckley, vice president of Buckley Bros., Inc., located at Bridgeport, Conn., which owns and operates a bulk-oil water terminal at 80 Seaview Avenue, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 14th day of July 1939.

S. J. BUCKLEY,  
Vice President, Buckley Bros., Inc.

PORT JEFFERSON, N. Y., July 14, 1939.

**Know All Men That:**

I, Frank A. Fuhrmann, partner of the Swezey Coal & Feed Co., located at Patchogue and Port Jefferson, N. Y., which owns and operates a bulk-oil water terminal at Port Jefferson, N. Y., which terminal receives by water the following grades of petroleum products—kerosene, domestic and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that

water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

SWEZEY COAL & FEED CO.,  
By FRANK A. FUHRMANN.

PROVIDENCE, R. I.

**Know All Men That:**

I, Walter H. Goodrich, president of the Goodrich Oil Co., located at Pawtucket, R. I., which owns and operates a bulk-oil water terminal at 292 School Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and the seal of said corporation this 14th day of July 1939.

[SEAL]

WALTER H. GOODRICH,  
President, the Goodrich Oil Co.

NEW HAVEN, CONN.

**Know All Men That:**

I, Walter H. Goodrich, president of the Walter H. Goodrich & Co., Inc., located at New Haven, Conn., which owns and operates a bulk-oil water terminal at 200 Waterfront Street, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation the 14th day of July 1939.

[SEAL]

WALTER H. GOODRICH,  
President, Walter H. Goodrich & Co., Inc.

PASSAIC, N. J.

**Know All Men That:**

I, M. H. Kurkjian, president of Solar Petroleum, Inc., located at South Kearny, N. J., which owns and operates a bulk-oil water terminal at Jacobus Avenue, South Kearny, N. J., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 12th day of July 1939.

M. H. KURKJIAN,  
President, Solar Petroleum, Inc.

PASSAIC, N. J.

**Know All Men That:**

I, M. H. Kurkjian, president of the Solar Oil Co., located at Passaic, N. J., which owns and operates a bulk-oil water terminal at 309 River Drive, Passaic, N. J., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 12th day of July 1939.

M. H. KURKJIAN,  
President, Solar Oil Co.

PASSAIC, N. J.

**Know All Men That:**

I, M. H. Kurkjian, president of the Solar Fuel Oil Co., located at Passaic, N. J., which owns and operates a bulk-oil water terminal at 309 River Drive, Passaic, N. J., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing

railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 12th day of July 1939.

M. H. KURKJIAN,  
President, Solar Fuel Oil Co.

**Know All Men That:**

I, T. A. D. Jones, president of the T. A. D. Jones & Co., Inc., located at New Haven, Conn., which owns and operates a bulk-oil water terminal at New Haven, Conn., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 13th day of July 1939.

[SEAL]

T. A. D. JONES,  
President, T. A. D. Jones & Co., Inc.

**Know All Men That:**

I, Philip Levene, president of the Pelham Coal & Oil Co., Inc., located at Pelham, N. Y., which owns and operates a bulk-oil water terminal at Secor Lane, Pelham, N. Y., which terminal receives by water the following grades of petroleum products—domestic heating oil—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 13th day of July 1939.

[SEAL]

PHILIP LEVENE,  
President, Pelham Coal & Oil Co.

**Know All Men That:**

I, J. Stickel, sales manager of the Crown Central Petroleum Corporation, located at Elizabeth and Edgewater, N. J., and Brooklyn, N. Y., which owns and operates bulk oil-water terminals at Elizabeth and Edgewater, N. J., and Brooklyn, N. Y., which terminals received by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 14th day of July 1939.

J. STICKEL,  
Sales Manager, Crown Central Petroleum Corporation.

**Know All Men That:**

I, Kenneth R. Field, treasurer of the Sunfield Co., located at Stratford, Conn., which owns and operates a bulk oil-water terminal at Waterview Avenue, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water-transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 13th day of July 1939.

KENNETH R. FIELD,  
Treasurer, the Sunfield Co.

WALLINGTON, N. J.

**Know All Men That:**

I, G. Willard Phillips, treasurer of the Phillips Oil Co., located at Wallington, N. J., which owns and operates a bulk-oil water terminal at Wallington, N. J., which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils—do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.



In witness whereof I have hereunto set my hand and seal of said corporation this 18th day of July 1939.

G. WILLARD PHILLIPS,  
Treasurer Phillips Oil Co.

PHILADELPHIA.

*Know All Men That:*

I, E. M. Callis, president of the Petrol Corporation, located at Philadelphia, Pa., which owns and operates a bulk-oil water terminal at Forty-ninth Street and Schuylkill River, which terminal receives by water the following grades of petroleum products—gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk tank vessels, and that water rates are materially lower than prevailing railroad tariffs and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 17th day of July 1939.

[SEAL]

E. M. CALLIS, President.

*Know All Men That:*

I, Le Roy W. Van Zandt, owner of the Rockland Fuel Oil Co., located at Haverstraw, N. Y., which owns and operates a bulk-oil water terminal at Haverstraw, N. Y., which terminal receives by water the following grades of petroleum products: Gasoline, kerosene, domestic heating and industrial fuel oils, do hereby certify that we purchase the petroleum products which we market on the basis of posted prices f. o. b. New York ocean terminals or refineries, and that we negotiate, contract, and arrange for our own transportation with contract carriers who operate bulk-tank vessels, and that water rates are materially lower than prevailing railroad tariffs, and, further, that the lower water transportation cost reflects itself in the competitive quotations to the consumer.

In witness whereof I have hereunto set my hand and seal of said corporation this 14th day of July 1939.

ROCKLAND FUEL OIL CO.  
LEROY W. VAN ZANDT,  
Owner.

Mr. WOLVERTON. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

SAVINGS IN WATER TRANSPORTATION

Mr. CULKIN. Mr. Chairman, due to the intervention of water transportation of petroleum products, from the oil fields to the filling stations, every citizen of America saves 20 cents on a gallon of gasoline at the pump. (See p. 133, pt. 1, hearings before Merchant Marine and Fisheries Committee of the House, on H. R. 3615, of the 75th Cong.; also p. 1079, pt. 2, Hearings before the Senate Committee on Interstate Commerce on the Water Carrier Act of 1935.) Except for water transportation you would be paying 38 cents, instead of 18 cents, for a gallon of gasoline. This finding is based on a thorough examination of the subject and has never been disputed by the railroads. This is something for some of you gentlemen to think about when you go back and face your people. If this legislation passes, I predict that gasoline in the near future will go up comparable to some of the prices in Europe.

Mr. DONDERO. Mr. Chairman, will the gentleman yield for a question?

Mr. CULKIN. I am sorry. I only have a few moments.

Waterways have always helped the railroads. The House knows that railroad development has always been the greatest where the rails and waters meet. For example, \$12,000,000 worth of freight in normal years is moved over the improved harbor of New York. The fact is that the railroads and their employees have been one of the chief beneficiaries of water transportation. Some of my colleagues speak in reverent tones of the railroads. I respect their achievements, especially when I consider that the public since 1851 has paid the railroads for transportation \$182,000,000,000. During that period, certainly since 1887, when the Interstate Commerce Commission was born, not one single share of stock and not one bond was ever retired by the railroads. Where, I wonder, did the money go? What I visualize, however, is a transportation system that will give needed service at a reasonable cost, not an inflated cost born of bureaucratic determination.

May I say this: The American people in 1929 lost \$50,000,000,000 in market values. They took it on the chin and

kept moving forward. The railroad lobby and their affiliate, the I. C. C., would make the people pay for the water that was poured into the systems 40 or 50 or 60 years ago and bought by the American people. They wish to place on the backs of the American people this ocean of water that is still present in these securities. This bill is one of the steps in attempting to write into financial immortality the past performances of Jay Gould and Jim Fiske, and a host of other buccaneers that sailed the financial main under the black flag in the bad old days.

Congress should steel itself against this iniquity, and in the first instance should strike out the water section of this bill. Congress should steel itself against the onslaughts of these pressure groups who are here today endeavoring to work their will on the American people whom you gentleman represent.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CULKIN. Now, I appeal to the conscience of the House to stand firm against the enactment of this legislation. Ten years from now, whether you are in the House or not, you will look back on this vote as the most important vote you cast during your service here.

For myself, I take my stand on the statesmanlike reasoning of the minority report and on the principles enunciated in that report. Doing that, I will vote to strike out the water section of this bill. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

OMNIBUS TRANSPORTATION BILL

Mr. WHITTINGTON. Mr. Chairman, under existing law the Interstate Commerce Commission has supervision over the railways and motor carriers. The Maritime Commission has supervision over coastal carriers, but there is no governmental supervision of inland waterway carriers.

I have a very high regard for the chairman of the committee and my colleagues who serve on the committee. I have such a regard for the members of the Senate Committee on Interstate Commerce. Those two committees have submitted bills that undertake to treat transportation problems in a different way. In fact, the House committee has stricken the Senate bill entirely and has submitted a substitute of its own. If the members of those two committees do not agree, surely Members of the House who do not agree with the conclusions of either committee are not to be criticized.

Mr. SOUTH. Mr. Chairman, a point of order. I make the point of order that a quorum is not present.

Mr. WHITTINGTON. I trust the gentleman will withdraw the point of order.

Mr. SOUTH. I insist on the point of order, Mr. Chairman. The CHAIRMAN. The Chair will count. (After counting.) One hundred and ten Members are present, a quorum. The gentleman from Mississippi will proceed.

Mr. WHITTINGTON. Mr. Chairman, we have undertaken to solve the problems of railway transportation by regulation and by governmental aid. The United States has been generous to railways, highways, waterways, and airways. All have been subsidized. In the Transportation Act of 1920, after an effort to regulate waterways had failed, it was declared in that act that waterway transportation should be promoted. The people of the United States, out of their Public Treasury, rehabilitated the railways after the World War. Executives of railways thought that their problems had been solved by the passage of legislation, but legislation will no more solve the problems of the railways than it will solve many other problems confronting the people of the United States. We have undertaken to solve the problem since 1920 by passing legislation that has largely resulted in increased compensation of employees, and for my part, I believe the laborer is worthy of his hire; and that has resulted in increased rates. It is said that the railways are sick. This bill is proposed to cure primarily the troubles of railways.

Personally I do not think it is necessary to destroy our waterways, to kill our waterways, in order to cure the railways. I have supported legislation in behalf of the employees of railways, but I regret, Mr. Chairman, that in much of the legislation that Congress has passed too much has been said about benefits to the railways proper and too little about benefits to the public. I am thinking about the railway employees who have been displaced. In our legislation we have emphasized too much increased compensation to a few of the employees and have overlooked entirely the great army of employees that has been displaced.

I ask you what benefits will accrue to the railways under the bill under consideration? The question has been asked, and thus far there have been no substantial reasons assigned as to where and how this legislation will aid the railways. It will provide for consolidations. It will provide for further financial aid, and if such provisions will aid the railways I will gladly promote them. Where will labor be promoted? What additional employees will be put on the pay rolls of the railroads? If there be consolidations, fewer employees will be given employment by the railways of the country. In a word, it is proposed to solve the transportation problem by some more regulation—by regulating the inland waterways and the coastal waterways of the country. If there are discriminations in the intercoastal waterways the remedy is to perfect existing legislation for their control under the Maritime Commission. I know of no public demand either on the part of the shippers or the part of the inland-waterway carriers asking for the regulation of the inland-waterway carriers.

The Government has subsidized all carriers. I shall not refer to the corruption, nor shall I refer to the scandals with respect to the construction of railways and the manipulations of legislatures by railways, except to say that whatever he said of the Federal contributions and appropriations for inland waterways and for the improvement of rivers and harbors in our Nation, no breath of scandal has ever attached to a dollar of the money appropriated from the Public Treasury for the improvement of the rivers and harbors of our common country.

Mr. Chairman, as a supporter of the administration I want to support any legislation that will be of real benefit to the railways and to their employees, keeping in mind the benefits that will accrue to the public. If there is any legislation that is proposed that will aid motor carriers, I will gladly support that. But thus far I have heard no advocate of the bill undertake to submit any proof whatsoever that the regulation of waterways will be of any material benefit to the railways; but, on the other hand, as a matter of common knowledge we know that it has been the purpose of those who control the railways to destroy the waterways; and, whatever be the intention of those who formulated this bill, it is well enough for us to look through the bill to the ultimate effect. In my judgment the inclusion of regulation of waterways can mean nothing more or less than the destruction of inland-waterway traffic in this country.

Mr. Chairman, it is said that the purpose is to unify and stabilize. What the public is entitled to is better services and reasonable and economical services. Whatever else may be said about the Interstate Commerce Commission, in my judgment it is railroad-minded, and, notwithstanding its 50 years of work, there are discriminations in rates that have worked against agriculture and industry in that section of the country whence I come, as well as in the great Southwest and western sections of the country, and thus far the Interstate Commerce Commission has taken no steps to solve that problem and to eliminate the discriminations that exist.

I congratulate the committee upon the provisions included in this bill that the committee undertakes to say will contribute to the solution of this discriminate-rate problem. If there have been discriminations with respect to manufacturers, there have also been and there are discriminations respecting agricultural products and raw materials. I join with the gentleman from Texas [Mr. South], supporting as

I do the views of this minority report, in the amendment that he proposes to the bill that will provide for investigation and relief not only for manufacturers but for raw materials.

It is said, Mr. Chairman, in the declaration of policy that the purpose of the bill is to preserve the inherent advantages of every clan or type of transportation. I answer that a declaration of policy is not enough. It was not enough to save the Agricultural Adjustment Act in the Supreme Court, as the Chairman presiding over this Committee well knows. I shall, therefore, offer an amendment at the appropriate place to this effect and in this language:

All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy.

In an effort to be constructive, Mr. Chairman, I call attention to the fact and emphasize that under the terms of this bill private carriers are exempt, as they must be; and contract carriers of bulk commodities have been exempted. So there remains, as I am reliably informed, and as I conclude from the hearings before the committee, substantially 3 percent of the commerce of the country that will be regulated by including waterways. Coming, as I do, from the South and from the Cotton Belt, I submit that if the Standard Oil Co., if the coal barons, if those companies with private carriers, if sulphur, if other agricultural commodities are to be eliminated under the terms of this bill, I respectfully submit in all fairness that the provisions of this bill should be extended to cotton, which in reality is as much of a bulk product as wheat or corn. I shall, therefore, offer an appropriate amendment to accomplish this purpose. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 1 additional minute to the gentleman from Mississippi.

Mr. WHITTINGTON. I propose to offer amendments that will undertake to bring forward in this bill the provisions of the so-called Miller amendment adopted in the Senate so as to strengthen the language that is embraced to preserve to all modes of transportation the advantages that naturally accrue to them, and inhere in them.

Mr. Chairman, permit me to say that the waterways of the Nation are the property of the United States. They have been improved by appropriations from the Public Treasury. They should remain free and open so that the benefits intended for the public may accrue. For the waterways of America to be regulated as proposed in this bill means their destruction, and also means that waterway traffic will disappear from the waterways of our country. [Applause.]

Mr. Chairman, under leave to revise, permit me to say again that the Interstate Commerce Commission regulates railways and motor carriers, but generally exercises no supervision over water carriers. Inland waterways are not regulated. Intercoastal carriers are subject to the supervision of the Maritime Commission. The Bureau of Maritime Inspection and Navigation supervises inland waterways for safety.

The bill under consideration proposes to solve the railway problem by amendments to the existing law for railways and motor carriers by the regulation of water carriers.

The bill is so prepared that parts 1 and 2 in title I cover railways and motor carriers, while title II, part 3, provides for the regulation of water carriers. The committee evidently had in mind that part 3 for the regulation of water carriers might be stricken from the bill without impairment of the proposed beneficial legislation respecting railways and motor carriers.

The declared policy of the Transportation Act of 1920 was to foster and preserve in full vigor both rail and water transportation. An effort was then made to regulate waterways. This effort failed.

I have always supported legislation in behalf of the improvement of railways and in behalf of railway labor. Thus far the principal legislation sought by railways and their employees has resulted in an increase of rates and in an increase



of compensation to railway employees. The public has been overlooked. There is a place for railways, notwithstanding their sins, notwithstanding their past. There is a place for railways in the country. They have contributed to the development and to the well-being of the Nation. In the future, as in the past, I will promote the interests of railways and their employees.

I do not oppose railway legislation that will be of real benefit to the solution of the transportation problem. I believe that the railways for years have pursued a short-sighted policy; their efforts have been to destroy waterways; they have undertaken to promote railways by destroying the inland waterways. Their policy has been destructive.

The railway problem is acute. So are many other problems in the United States. I would like to contribute constructively to the solution of that problem. I have advocated cheaper transportation. I have advocated the elimination of the discrimination in the rates against manufactures, agricultural products, and raw materials in various parts of the country. I believe the railway problem can better be solved by the railways meeting and solving the problems of competition, rather than by destroying competition.

It is said that there is a demand for further regulation of the railways. I am responsive to that demand. It is said that there is some discrimination among intercoastal carriers. They are now regulated. I am for the further regulation of such carriers by the Maritime Commission that has supervision over them.

I know of no demand on the part of the public and no general demand on the part of the inland waterways themselves for the regulation of inland-waterway carriers.

As a matter of general knowledge, we know that the efforts of the railways have been directed toward the destruction of inland waterways. Those who advocate cheaper transportation for the great valleys and plains of the Nation are skeptical therefore respecting any policy that provides for regulating inland-waterway carriers when there is no demand for such regulation except from the railways themselves.

#### BENEFITS TO RAILWAYS

What are the benefits to the railways under the existing bill? Provision is made for consolidation. Provision is made for further refinancing. It is said that such provisions will aid the railways in their plight. I will support them, but candor compels me to say that thus far no advocate of the pending bill has shown wherein the provisions of the legislation under consideration insofar as the amendments to existing law respecting railways and motor carriers are concerned constitute any real benefit to the railways.

#### BENEFITS TO LABOR

What benefits are there to railway laborers and employees? Will the vast army of former railway employees now out of employment be reduced? Will the number of railway employees be increased? If so, how? One of the defects of legislation in behalf of railways has been to grant increases to employees retained by the railways, but by and large there have been no benefits to the employees who have lost their employment. Further consolidations will make for more unemployment.

In speaking of labor, if the waterways are destroyed, what becomes of the employees of the inland waterways? I am the friend of labor, whether employed by the railways or the waterways.

#### DESTRUCTION OF WATERWAYS

I have the very highest regard for the distinguished chairman and the members of the Interstate and Foreign Commerce Committee of the House. So have I for the distinguished chairman and members of the similar committee of the Senate. The Senate bill has been stricken out in its entirety. The committee in the House was evidently not satisfied with the provisions of that bill. An entirely new bill has been submitted by the committee. Those who advocate relief for the railways have thus been unable to agree upon a definite program that provides definite relief for the railways. It is evident to the most casual observer that if the substitute proposed by the House passes, the real bill

will be written in conference. It is not a question of the intention of the members of the committees in charge of the legislation; it is a question of the effect of the legislation. No one can foretell in the closing days of the session the provisions of the bill that may be written in conference, but inasmuch as both bills provide for the regulation of inland waterways when there is no demand from either the inland waterways themselves or from the public for their regulation, it is safe to say that the real purpose of any bill that may be written in conference will be the regulation of the inland waterways. If there should be regulation of inland waterways, such regulation should be sympathetic. The Interstate Commerce Commission is railway-minded.

Whatever be the intent of the sponsors of the bill, the purpose of the railways is to increase waterway rates and thus eliminate the waterways. The country will suffer and the railways will not be benefited.

#### RATE DIFFERENTIALS

It is said that the bill provides for the elimination of rate differentials. Investigations are authorized with authority for the elimination of rate differentials. The Interstate Commerce Commission has been in existence for 50 years. Thus far no real contribution has been made toward the elimination of the rate differentials that have retarded manufacturing and agriculture, particularly in the South and in the Southwest.

The investigations are to cover manufactured products. Why manufactured products? What about the raw materials of the great agricultural sections of the country? I believe the bill should be amended so that the investigations and the resulting rates would cover both manufacture and agriculture, and I believe that the discriminations against the domestic consumers should be removed. Why should foreign buyers be accorded a cheaper rate than domestic consumers?

#### DECLARATION OF POLICY

Much has been said about the declaration of policy with respect to the regulation of water carriers, but declarations of policy in the titles of acts are not synonymous with the substantive law. I therefore propose an amendment, on page 199, line 8, as follows:

All of the provisions of this act shall be administered and enforced with the view to carrying out the above declaration of policy.

The declaration of policy in the Agricultural Adjustment Act, declared invalid by the Supreme Court of the United States, was not followed. The declaration of policy in the pending bill may not be followed. Declarations of policy should be followed by enactments for administration and enforcement of that policy.

Section 30, known as the Miller amendment in the Senate, has been largely eliminated from the pending bill. I therefore propose an amendment, on page 260, line 8, in the following language:

To the recognition and preservation of the inherent advantages of water transportation.

I would further amend paragraph (f) on said page, line 11, by inserting the following at the appropriate place:

To permitting water carriers to make or reduce rates so long as such rates maintain a compensatory return to the water carriers, after taking into consideration overhead and all other elements entering into the costs to the water carrier for the service rendered.

Again, if water transportation is to be regulated, if private carriers go free, the Standard Oil Co. and the great coal companies and the great steel companies will not be subject to regulation. They have their private carriers. So have some of the leading cotton buyers. If sulphur and coal and oil are to be omitted from the contract-carrier provisions of the bill, why should not cotton, which can be just as easily and readily be carried in bulk, be eliminated? I, therefore, shall propose an amendment on page 245 of the bill, to be inserted at the appropriate place, that the exemption of subsection (b) shall apply to baled cotton. The textile manufacturers of North Carolina and of New England, as well as the cotton growers themselves, would benefit

by the cheaper water rates for cotton, both on the inland and intercoastal waterways.

As I have indicated, I shall gladly support the amendment which the distinguished member of the committee Mr. SOUTH, of Texas, has indicated he would propose to insert on page 202 after the words "manufactured products," the words "raw materials."

#### INLAND WATERWAYS CORPORATION

It has been suggested that Gen. T. Q. Ashburn, president of the Inland Waterways Corporation, favors the regulation of inland waterways, but thus far no one has quoted him as advocating the provisions of the pending bill. My understanding is that General Ashburn has always advocated the regulation of contract carriers of bulk commodities. No such regulation is provided in the pending bill.

#### THE REAL SOLUTION OF THE RAILWAY PROBLEM

After the passage of the Transportation Act of 1920, and after the taxpayers of the Nation had rehabilitated the railways following the World War, the railway executives felt that the future of the railways was secure. They relied upon legislation and regulation, but they overlooked a fundamental principle in the life of men and nations. The railway succeeded and replaced the canal and the stage coach. The public demanded the services that the railroads could give. Highways have multiplied since 1920. They are affording a more adequate service in many cases, and now the airways are demanding their place in the sun. The people are entitled to the very best transportation of passengers and freight that can be afforded. Legislation and regulation alone will not do the job. Railways have got to meet the advancing progress of our modern age. There is probably cutthroat competition in the manufacture of automobiles, but who would advocate the regulation of the manufacture of automobiles? The competition has resulted in a better automobile and has resulted in better transportation facilities. Railway employees and laborers are entitled to reasonable compensation. I have always supported legislation in their behalf. Railways, on their actual investments, but not on their watered stocks and on their manipulated deals, are entitled to an adequate return; so is the farmer; so is the merchant, but the merchant and the farmer have got to meet competition. They cannot conduct a store as they did 50 years ago. They cannot farm as they did 50 years ago. The railways must give the public as good service, as reasonable service, and as economical service as the waterways, highways, and airways; otherwise, many of them will disappear from the scene.

But there is a public need for the railways. I want to promote their progress and their welfare. If the railway executives, if the railway management will devote as much time in improving the railway service as they have devoted to the destruction of waterways, the welfare of the railways will be better promoted.

#### OPPOSITION

As has been pointed out, the Secretary of War, the Secretary of Agriculture, and the Chairman of the Maritime Commission have ably presented unanswerable arguments as to why waterways should not be regulated. But there are others. Commissioner Joseph B. Eastman, chairman of the legislative committee of the Interstate Commerce Commission, summed up the opposition to the regulation of the waterways. I quote from his testimony:

In the first place, it seems to me that every other major objective of the bill can be accomplished, and readily, without such codification.

In the second place, it seems to me there is no real demand for it. In the third place, I think it would be a better plan to continue to have a separate part for motor carriers and a separate part for water carriers. As a matter of fact, I do not personally anticipate that the regulation of water carriers will be of any great benefit to the railways.

#### PART III

Part III should be eliminated. Substantially no monopolistic rates and practices have been shown to require the regulation of water carriers. There is no cutthroat competition among inland water carriers to be regulated. The services of water carriers furnish natural regulation and auto-

matically enforce their practices. There should be no regulation unless there is need shown. The various forms of transportation have their advantages. The public is entitled to the benefit of these advantages. The bill does not preserve them.

If there should be further regulation of intercoastal carriers, that regulation should be placed under the Maritime Commission. The Interstate Commerce Commission has much work to do. There are long delays at present in the investigation of rates and discriminations. A better job could be done by the Maritime Commission.

Congress has made appropriations to improve the inland waterways, the coastal waterways, and the harbors of the Nation, and millions upon millions of dollars have been appropriated for such purposes. Competition has been promoted. There were scandals in the days of subsidies and land grants to railways, but no scandals with respect to the improvements of rivers and harbors have been shown. Highways have been subsidized. The public interest has been promoted by the subsidies that have been granted to both highways and waterways. Whatever be the intention of the committee, whatever be the intention of the bill, the interests that are demanding the passage of the legislation for the control of waterways have as their ultimate goal the raising of water rates and the destruction of water carriers.

The regulation of only 3 percent of the business of water carriers has been retained in the bill. Some 18 percent of the traffic is water borne. The other 15 percent is exempted from the bill. Private carriers of course cannot be controlled or regulated. The Standard Oil Co. and the coal companies will continue to reap the benefits of the appropriations made by the Congress for years to promote inland waterways. The contract carriers of bulk commodities under the terms of the bill are exempt. There remains only the regulation of the remaining water carriers. The great, strong financial private carriers and bulk carriers, as should be the case, will not be regulated, but the small shipper and the small carrier will be regulated and destroyed.

Rivers and the ports are the property of the people of the United States. They should be preserved and kept free and open to all the people of the United States.

In the great interior plains and valleys of the United States our inland waterways are our last line of defense. The benefits should be preserved. If the waterways are regulated it means that the rates will be increased and that the water traffic will disappear.

The contract carriers of bulk commodities are temporarily exempted from the provisions of the bill, but it is well for all advocates of inland and coastal waterways to remember "The voice is Jacob's voice, but the hands are the hands of Esau."

Instead of preventing monopolies; instead of curbing monopolistic practices; instead of encouraging competition, the bill, unless the regulation of water carriers is eliminated, will at the same time eliminate competition and promote monopolies.

[Here the gavel fell.]

Mr. WHITTINGTON. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein the amendments I stated I proposed to offer.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. WHITTINGTON. I understand all Members have been given the right to extend their remarks on this bill.

The CHAIRMAN. The gentleman is correct.

Mr. LEA. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, it would indicate a woe-ful lack of grace and appreciation on my part if I failed to acknowledge the long, diligent, and effective labors devoted to this transportation bill by the Committee on Interstate and Foreign Commerce by its able chairman, Mr. LEA, of California, and by each individual member of the committee. It was a monumental task to whip this legislation into shape. The measure reported to the House represents a job well done, and the committee deserves commendation.



This bill should go far toward improving the somewhat scrambled transportation situation in this country. Indeed, this Transportation Act of 1939, which is now before the House for action, marks a praiseworthy advance in our transportation policy. While not even the sponsors are claiming that it is the last word on the subject, the bill as a whole should commend itself to the favorable consideration of the House and to all fair-minded citizens of the country.

This is truly a modern transportation act. For the first time in American history Congress has recognized all modes of domestic transportation, with the exception of air transport, which is otherwise regulated, in a single act. Under this bill all forms of domestic land and water transportation among the States would be placed on a basis of substantial equality, so far as regulation by the Federal Government is concerned.

Despite the fact that water transportation is the oldest form of interstate commerce in this country, it is noteworthy that water lines are the very last carriers to be placed on substantially the same basis of governmental regulation as other common carriers. This bill would subject all domestic water transport to the supervision and regulation of the Interstate Commerce Commission, where it should have been years ago.

That provision of the bill has brought howls of rage and anguish from some of the water lines. Despite the advantages the water carriers will continue to enjoy over competing rail and highway and other transportation facilities, not only in matters of regulation but in subsidies and taxes, some of the inland waterway interests are making the welkin ring with their wails of agony. In their desperate desire to continue unchecked a destructive and uneconomic policy of cutthroat competition, certain selfish interests are resorting to false and misleading propaganda in a vain effort to influence the Members of this House. The sole purpose of these false representations is to kill the regulatory provisions which would affect the water carriers.

However, let me hasten to say this wholly unworthy effort does not have the approval or the support of a large number of the water lines. On the contrary, a considerable number of the water carriers are in complete accord with the proposal to regulate their rates. And that suggestion came from the Interstate Commerce Commission itself. It is also supported by all impartial students of the transportation problem. And anyone who does not have an ax to grind on that side can see the utter lack of sincerity and soundness of this false propaganda being spread by this greedy group of water lines.

To be sure, there have been some other objections raised against the bill on matters of detail. But we must remember that all legislation contains some element of compromise. This measure probably is no exception to that general rule. But considering all the diverse interests to be satisfied in serving the public interest, the result is little short of remarkable. In any event, the general policy of fair and equal regulation laid down in this measure is unassailable from any standpoint.

Therefore, I stand on my original statement that practically the only opposition to this bill comes from a selfish and short-sighted faction of the water lines. It must be conceded that any transportation facility which endeavors to dodge regulation and thereby gain an unfair advantage is selfish. Let me also point out that air transport and bus and truck lines did not meet with any marked success until after those industries were stabilized through regulation. Hence, I say these water lines are short-sighted in their opposition to regulation.

Some of the well-paid propagandists who are conducting this ill-founded opposition to the bill have made the mistake of trying to brand it as a "railroad bill." Without success, they have sought to create the false impression that the railroads suggested the regulation of the water carriers. As a matter of fact, Chairman LEA and the other members of the committee can testify that the proposal came from the Interstate Commerce Commission, and from many of the water carriers themselves, as well as disinterested trans-

portation experts outside the Government service, railroad labor and management.

One of the supposedly strongest pleas presented by these opponents of regulation of the water lines was the alleged opposition of the farmers to that provision. On the 14th of July last I presented to this House a large number of statements and resolutions from the leading farm organizations. Those documents most emphatically favored the regulation of rates and service of all transportation agencies—water, highway, and air—to the extent, that they are competitive with railroads. I think that presentation was sufficient to expose the wholly unauthorized use of the farmers in this false propaganda. It is unnecessary to review that conclusive evidence of the desire of the farmers for equality and fairness in the regulation of rates and service of all common carriers.

The national transportation policy laid down in this bill is well worth repeating at this point. It states:

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulations of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, economical, and efficient service and foster sound economical conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions—all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense.

That is so clear that he who runs may not only read but also may comprehend. It is the sound principle of "equal rights for all and special privileges for none" strictly applied to our transportation system by water, highway, and rail, as well as other means. There can be no two ways to interpret this explicit policy. There can be no escape from it by any special pleading on the part of the water lines. They must yield to the logic of the statement and to the force of its application.

Because of the rapid, mushroom growth of some of the newer transportation facilities, we have been somewhat tardy in reaching the point of adopting this broad principle in the interest of our national welfare. We may excuse our failure in the past, but there can be no excuse now for the adoption of a fair and just policy. Without a sound transportation policy in this country it is impossible to have a sound national economy.

The railroad industry, which is the Nation's second industry when measured by investment, is in an unhealthy state, I will grant. But, it is not the only unhealthy member of the transportation family. Several of the younger members are ailing. And these economic ills are due in no small degree to the lack of proper regulation in the industry as a whole. As I stated a few moments ago, the air lines, the bus and trucking industries did not achieve a healthy stability until after they were placed under proper regulation, which put a stop to cutthroat competition by wildcat companies.

Moreover, the national economy has suffered as severely as the various branches of transport as a consequence of the inequality of regulations, or the total lack of it, in some instances. Quite aside from the moral and humanitarian aspects of slavery in this country, the economic factor was the great underlying cause of the Civil War. This was recognized by Abraham Lincoln when he declared this Nation could not live "half slave and half free." The same thing applies to transportation. This country cannot live with our transportation facilities "half slave and half free."

For more than half a century the Interstate Commerce Commission has been the "master" of the railroads. The Commission has been a benevolent "master," for the most part, but the fact remains that the railroads have been forced to compete with all the other forms of transportation as they developed. And the railroads have been tied down with strict regulations while their competitors have been free. Not only have these competing modes of transport

been free from regulation until recently, but they have been the pampered pets of the Government. They have all been subsidized in some form or other but they have gone untaxed. And even now, that most of them have been brought under regulation, none of them must abide by the rigid rules provided for the railroads, and none of them bear anything like an equal share of taxation.

Now the time has come for transportation equality—at least, substantial equality—allowing for the inherent differences in the various transport agencies. We can secure substantial equality, so far as regulation of rates and service are concerned. This measure lays down the policy, and I feel confident the Interstate Commerce Commission will enforce the regulations with the even-handed justice which has characterized its actions since it was established.

It may require some years before the transportation systems can be shaken down to the point where we can reach a sound decision as to our national transportation needs. After all agencies have been given a fair trial under substantially equal regulation, we then can decide just what the inherent advantages of each may be and preserve the most economical and the most efficient branches of the industry. Up to now, even with their natural advantages added to the favoritism of subsidies, lack of regulation, and unequal taxation, none of the competitors even have challenged the railroads as a substitute. I, therefore, have little doubt about the railroads remaining the most important branch of our transportation system for many, many years to come. In fact, I doubt whether even American inventive genius and industrial superiority ever will find a complete substitute for the railroads.

Important as equal regulation may be to a sound and healthy transportation industry and the economic welfare of the Nation, I wish to emphasize that regulation alone will not solve this transportation problem. Sooner or later Congress must take steps to bring about a substantial equality of competition among the various branches of the industry. In view of the present inequalities of competition, it probably will be a long and difficult process to bring about the proper readjustment. Unless this competitive readjustment is effected the ultimate and inevitable result will be Government ownership and operation of the railroads, with all the dire consequences flowing from that undesirable end. That, however, would not solve the railroad problem by any means. The problem merely would be transferred from private management to a bureaucracy and little or nothing gained. The Government would be forced to place the railroads on an economically sound basis or subsidize them at enormous public expense.

Therefore, competitive equalization is even more vital than mere regulatory equality. It is obvious the railroads cannot continue indefinitely to stem the present tide of unequal competition. And you cannot utterly destroy one great industry like the railroads through unequal and wasteful competition and justify it from a national economic standpoint.

There are many factors which enter into this unequal and wasteful competition, but we will take the cost of maintenance to the railroads and subsidies to the inland waterways for an illustration. The average annual cost of maintaining a mile of railroad, including structures, is \$1,792. That cost is paid out of railroad revenues in competition with all other modes of transportation, most of which are subsidized.

On the other hand, the yearly maintenance cost of the New York Barge Canal is \$4,749 a mile. The New York Barge Canal was built at public expense entirely. Except for a short period, it has been maintained at the expense of taxpayers. No one ever has figured out what the value of New York Barge Canal is to the taxpayers of California, Florida, Texas, and Minnesota, for instance, and probably no one ever will. That value, if any, is dubious, to say the least.

The same thing is true of the Mississippi River. It has cost the American taxpayers in every State in the Union

\$145,000 a mile to improve the Father of Waters, exclusive of flood-control work. Users of that waterway enjoy a subsidy of more than \$10,000 a mile every year at the expense of all the taxpayers.

Take a look at the other side of the picture. None of the taxpayers of any of the 48 States or any of our possessions overseas pay one red cent in subsidy for the maintenance of the railroads. And the ironic part of the whole picture is that the railroads pay a substantial part of the subsidies which go to their competitors.

Almost 10 cents out of every dollar of railroad revenue is paid out in taxes to the various governmental units. In fact, of all general transportation agencies, only the railroads operate on their own roadways, which most of them bought and paid for, and pay all of their own costs, as well as help support the Government with the heavy taxes levied upon them.

That is a fair sample of the unequal competition with which the railroads must contend. The experts are divided on the causes of the decline in demand for railroad service. Yet they all agree that a very large measure of the difficulties besetting the railroads arise from such unequal competition from all other forms of transport, especially the newer modes, which the railroads help to support with subsidies out of their own earnings.

You can add that up any way you wish, and I defy anyone to make economic sense out of it.

And now I come to the land grants to the railroads. These lands were granted to encourage the building of railroads, which made possible the winning of the West. In return for the lands, the railroads which received them have since granted the Government reduced rates and fares. What was the value of those land grants and to what extent has that amount been paid off by the railroads?

In the period from 1850 to 1871, during which the land grants were made, the Government received on an average of 94.5 cents per acre for the sale of lands in the States and Territories involved in the grants. That is the only reasonable and logical method of arriving at the value of the lands. We must take the money value of the lands at the time they were granted, for, naturally, the coming of the railroads greatly enhanced the value of the lands in later years. At the rate of 94.5 cents per acre, the 130,000,000 acres would have been valued at \$122,850,000 at the time the grants were made.

Now, a study of the savings to the Government from land-grant rates and fares, including mail, covering all American railroads, showed the amount to be about \$5,000,000 a year. Recently the Interstate Commerce Commission estimated the total reduction in rates to the Government to be \$7,000,000 annually. If mail and express were added, the annual savings to the Federal Government would not be less than \$10,000,000.

If we assume the lands were worth \$122,850,000 at the time they were granted by the Government, then, at the rate of \$5,000,000 a year in reductions of transportation costs on Government traffic, the railroads would have paid off the total value of the land grants in 24½ years. If the figure of \$10,000,000 a year is taken, the railroads would have paid in full for the lands in 12¼ years.

Recently I saw the figure 184,000,000 acres used in connection with the land grants. Even taking that figure, it is obvious that the lands granted to the railroads in aid of construction have been paid for many times over in reduced rates and fares on Government traffic.

The House bill, in effect, provides for the repeal of some of these land-grant provisions. That will mean an expected increase in railroad revenues from five to ten million dollars a year. And either figure would pay the wages of many railroaders and buy plenty of bread and butter, bacon, and beans for their wives and children.

Let us turn now to Government subsidies for competitors of the railroads. Reliable sources fix the total expenditures of the Federal Government to encourage the development of transportation at \$6,500,000,000. Of that amount,



about \$2,250,000,000 went for waterways and about \$4,750,000,000 for highways. The land-grant subsidy to the railroads in the pioneering period looks like chicken feed in comparison to the other transportation subsidies.

Whenever any industry finds itself in trouble, we always hear first from the antilabor element which has a panacea—to cut the wages of labor. These big-hearted gentlemen always can find a cure-all at the expense of the other fellow, and especially the little fellow. They tell us to take it out of the hides of the workingman and all the troubles of the industry will pass. They still are harping on that familiar tune.

Some of these same gentlemen have made the astounding discovery that an immediate reduction of 10 to 15 percent in railroad pay rolls would enable the carriers to cut their rates and thus meet this cutthroat, subsidized, unregulated, and untaxed competition. Let me say as a wage earner and a low-salaried railroader for 24 years I understand the problems of the hourly wage earner and the low-salaried railroader. I also understand something of the problems of railroad management. I assert that any such cut in railroad wages at this time would be economic folly and would have no practical or lasting effect in solving the railroad problem.

In the first place, there are any number of other transportation problems, basic and fundamental problems, which should and must be solved. These should be tackled first, and, in any event, a reduction in railroad wages should come only as a last desperate resort. If the railroads fail to get the needed relief from Congress and find themselves utterly unable to compete with this cutthroat, subsidized, unregulated, and untaxed competition unless they cut wages, then, and only then, should the railroads resort to such an expedient in order to keep the railroaders employed. God knows we have enough millions of people on relief now without adding thousands of good railroaders to the relief rolls.

There are numerous reasons why railroad wages should remain at the present levels, at least, and certainly should suffer no reduction at this time. For one thing, the wages paid to the 1,000,000 railroad employees constitute a substantial portion of our national purchasing power. Our need is more purchasing power, not less. How, may I ask, are we to achieve President Roosevelt's objective of an \$80,000,000,000 country by cutting wages?

Furthermore, there is no justification for a wage cut. Instead of a cut the railroaders should be entitled to an increase in pay. On the basis of value received, the railroads are getting more revenue per employee than ever before. The railroads also are getting more units of production in much less time than formerly. This comes from an increase in the speed and the size of trains, both passenger and freight, together with the dual basis of pay.

Instead of lessening and lightening the work of the railroaders, these fast and heavy modern trains place greater burdens upon the railroad crews. Hence, I say, if there is any movement in railroad wages, it should be up rather than down, to compensate the men for the increased hazard and strain incident to the operation of heavy, high-speed trains. I sincerely trust this proposed wage cut will get nowhere. I sincerely believe also that this legislation will go far toward removing the reasons behind the demand for a wage cut on the railroads.

In the short time allotted to me it is only possible to touch on some of the high spots in this voluminous measure. However, I believe it has been demonstrated that the alleged opposition of the farmers to the regulation of the water lines has been faked and that the effect of such regulation has been greatly exaggerated. I also believe time will prove that regulation will become the salvation of the water lines, just as it has benefited other modes of transportation.

When gentlemen consider the whole-hearted support of this bill that come from the public generally, the labor groups, the farmers and investors, the railroad management, disinterested experts, and the Government itself, I believe they will agree that the selfish and short-sighted opposition of a few water lines is not worthy of consideration by this House.

Certainly none of the agencies can be granted special favors in any square deal for transportation, and the main object of this bill is to place all common carriers on an equality in matters of regulation. That equality is what the railroads need most to enable them to continue to give the American public the best transportation service ever furnished at the lowest true cost.

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Chairman, I ask unanimous consent to extend my own remarks in the Appendix of the Record.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. KLEBERG].

Mr. HARRINGTON. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. HARRINGTON. Mr. Chairman, I withdraw the point of order.

Mr. KLEBERG. Mr. Chairman, 5 minutes is admittedly too brief a period in which to go into a discussion of a measure which by the statements of those who have worked long and arduously on it during a space of 6 months, amounts to a rewriting of the Interstate Commerce Act. This bill was considered by an able committee. Weeks of time were taken in the hearing of witnesses and in conferences between Members and others interested. As a matter of fact, one of the Members who followed the first speaker in opposition to this bill recited with some pride that all of 73 individuals had come before the committee during that period of time to express their views. I refer to the remarks the gentleman from New York [Mr. KENNEDY] made on this floor following the address of the gentleman from North Carolina [Mr. WARREN] these two distinguished gentlemen expressing opposite views.

Mr. Chairman, I do not propose to use any of this time referring to the provisions of the bill because I think that is not the original essence of the problem before this great forum of reason and deliberation. The reasoning of one man is at best a very poor tool with which to arrive at what might be termed a definitely correct conclusion. Only through the expressions of conflicting opinions is a correct conclusion reached on a really important subject. This bill comes to us first of all therefore, in a manner which prompted my first opposition to its consideration by this body in the dying days of the session. This bill comes from the Senate in the form of a complete amendment to the Interstate Commerce Act. The House Committee on Interstate and Foreign Commerce brings to this body the Senate bill with everything after the enacting clause stricken out and entirely new language substituted. I say, therefore, that the bill comes before us in the dying days of the session under the peculiar condition which makes all of this talk about the provisions of the bill entirely beside the issue.

The bill we are discussing today, Mr. Chairman, will not be the law. That is point No. 1.

Second, all Members who are informed on parliamentary law know that when the House strikes out of a bill of another body all after the enacting clause and inserts new text, the conferees may discard language occurring both in the bill and in the substitute therefor and it may exercise a wide discretion in the incorporation of germane amendments. They may even go so far as to write a completely new bill germane to the subject.

Mr. Chairman, under these conditions I submit that the consideration of this bill cannot be as conducive to a thoroughly rational conclusion looking toward the solution of a problem as to approach it in the ordinary way at the beginning of a session of this Congress, when the entire membership would have an opportunity to discuss and rediscuss the measure. The proof that the committee itself is not satisfied with the bill is best to be found in the record of repeated amendments and changes made in the bill up to the very last

day when it got out of the hands of the committee chairman and was reported to the House.

Anyone who reviews the contents of this bill is confronted, if he looks really into it, all the way through with the conclusion which to thoughtful men should be distasteful—the idea that the legislative branch might be accused of lending itself to be used as a club to remove, forsooth, a legitimate agency which happens to compete to a very small degree with another legitimate agency.

With the genesis of this bill I find myself confronted with considerable confusion. The speaker who just preceded me starts out with the statement that this is not a railroad bill, that this is a transportation bill, and concludes his fervid remarks with an exciting dissertation pointing with great emphasis to what this bill means to the railroads. Now, as to the bill's genesis, the major objective brought before this Congress had its real origin in the Committee of Six, composed entirely of railroad executives and employees. The bill as then considered in the House by a committee which, I repeat, is an able committee, but which has had to do, insofar as transportation is concerned, up until consideration of this bill, almost entirely with land carriers, railroads. A careful study of the biographies of these Members found in the Congressional Directory indicates that these distinguished gentlemen have certainly, insofar as major past endeavors are concerned, had nothing to do with marine shipping. This would indicate at least that insofar as knowledge of railroads and rail business is concerned that a great competency of authority on this subject had to do with the origin of the bill and its final presentation in its final form to this body.

In the district which I have the honor to represent, I have two ports and more than two rail lines. Two of these lines, the Missouri Pacific and the Southern Pacific, represent the largest rail company operations in Texas. The Missouri Pacific roundhouse and shops and offices for its southern division are located in Kingsville, Tex., 39 miles from where I live, so insofar as I am concerned, as a duly-elected Representative, I could not if I would show favoritism as between the railroads and marine or water shipping. Highway carriers, trucks, and so forth, are likewise well represented and I have many friends not only in this branch of carriers but in the aviation branch as well, there being two major air lines serving the town in which I live and my district. The fifth class of carriers, pipe lines, is also well represented in my district and in my home town where two large pipe lines converge and deliver oil.

It must be conceded, Mr. Chairman, that with all five methods of transportation which serve our country so represented in my home town and district I should, at least by environment, be somewhat familiar with their characteristics and needs and problems. It is for this reason, Mr. Chairman, that I view with alarm the undue haste as well as the method by which we now propose to pass what is called the transportation bill.

The only group affected of the three lines and kinds of transportation covered by this bill which has asked for this legislation is the rail transportation system, and the only benefits to be derived by any one of the three thus affected directly is likewise the railroad interests; and yet, my friends, this bill is not a railroad bill. Members of the Committee, the bill which we will finally vote up or down will be written by the conferees, and this House will be called upon to vote the conference report in the form of a new bill up or down in such an amazingly short period by comparison to the description of their arduous labors by the Interstate Commerce Committee as to cause me wonder. Why did they take all of this time on a matter so transcendently important and then rush in here with it when, of course, they must know far better than I, who by comparison have been here a short time, that in the final analysis the whole Committee on Interstate Commerce and the rest of the membership of the House would in reality be wasting this time and have only the opportunity to hear the conference report read and then indulge in some street-corner and corridor talk about it. Mr. Chair-

man, many years it has been said by a great American—and I quote Thomas Jefferson:

If we have any doubts concerning a power we should not exercise it.

And certainly, Mr. Chairman, there is evidence everywhere of grave doubts concerning the exercise by the Interstate Commerce Commission over the water-transportation agencies affected by this bill. For my part, for the Congress to vest this power under conditions which I have recited is in my opinion entirely devoid of the earnest consideration which this question merits from the Congress of the United States. I have listened to arguments presented by the proponents of this measure with great care, and apparently the only considerations involved are those which have to do with attaining the objectives proposed and desired by the originator and authors of this legislation.

Let us pause for a moment in contemplation of our country. Recent years have shown with ever-increasing rapidity a great movement to the coastline and to points adjacent to or on the inland waterways system, and far more than just the transportation system affected by this bill will soon realize the effect of the bill which none of us here can describe and to be written by conferees yet to be named. I submit, Mr. Chairman, in conclusion that unless this measure is recommended that in coming years, as the facts become known, this Congress will be charged with the perpetration of the most poorly and carelessly considered, and, yes, probably the most destructive piece of legislation that can be found in the annals of its now over 150 years of existence.

I am proud of my association with all of you in this body. Let no word of mine be misinterpreted or tortured into what might be construed as a criticism of any Member or committee, save only, Mr. Chairman, as to what we might do unless we free ourselves from the horns of this legislative dilemma on which we find ourselves impaled. I repeat it is impossible to emerge from this situation with any degree of satisfaction if we insist upon bringing this legislation out during these closing days.

My recommendation, as result of earnest deliberation and now a firm conviction, is that the recommitment of this bill will mean immeasurably more to our country and the transportation systems of this country sought to be served than its passage under present conditions.

The vortex in which we find ourselves is a complete violation of representative democracy in its more desirable form and it is my fervent hope that before a motion to recommit is offered that the many great and patriotic minds in this Assembly will take counsel in their respective consciences to the end that we will stop this destructive foolishness before it is too late.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield such time as he may desire to the gentleman from Montana [Mr. O'Connor].

Mr. O'CONNOR. Mr. Chairman, I take this time not for the purpose of making an argument for or against this bill. I am for the bill provided certain things can be cleared up in my mind. First, I ask unanimous consent to insert in the RECORD in connection with my remarks section 5 (2) of the present Interstate Commerce Act.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana [Mr. O'Connor]?

There was no objection.

Mr. O'CONNOR. Section 5 (2) of the Interstate Commerce Act follows:

Whenever the Commission is of opinion, after hearing, upon application of any carrier or carriers engaged in the transportation of passengers or property subject to this chapter, that the acquisition, to the extent indicated by the Commission, by one of such carriers of the control of any other such carrier, or carriers, either under a lease or by the purchase of stock, or in any other manner not involving the consolidation of such carriers into a single system for ownership and operation, will be in the public interest, the Commission shall have authority by order to approve and authorize such acquisition, under such rules and regulations and for such consideration and on such terms and conditions as shall be found by the Commission to be just and reasonable in the premises.



Mr. Chairman, on page 208, line 15, there is this language:

Lease, operating contract, or acquisition of control consistent with public interest.

The Senate bill carried the words "it may enter an order approving and authorizing such consolidation, merger," and so forth. The House has changed the word "may" to "shall." In other words, it is now made mandatory upon the Interstate Commerce Commission. I would like to have the gentleman from California tell me just why the word "may" was changed to "shall."

Mr. LEA. If the gentleman will refer to line 10, page 208, he will find that if the Commission finds that so-and-so is true, in that event they shall enter an order approving of the consolidation. The word "shall", of course, does not mean that they must approve a consolidation regardless of its merits. It is only where they find it is meritorious and complies with the requirements that it is then their duty to enter an order permitting the consolidation.

Mr. O'CONNOR. In other words, there is no necessity of their making a finding unless they deem the merger necessary?

Mr. LEA. None whatever.

Mr. O'CONNOR. On page 209, line 9, the Senate bill carried these words—and I will begin at line 9, subdivision (2):

Where appropriate, the effect upon the public interest of the inclusion, or failure to include, weak railroads in the territory involved in the proposed transaction.

The word "weak" has been substituted by the word "other." I would like to know why that substitution was made by the House committee.

Mr. LEA. The House committee cut out the word "weak" because we thought the Commission should have authority to require any kind of a road to be included, if necessary and in the public interest. This does not limit but extends the power of the Commission to approve the consolidation and to increase or widen the conditions of approval.

Mr. O'CONNOR. In other words, before any railroads may be merged, do I understand the purport of this bill is to the effect that the Commission must find, first, that it is in the interest of the public?

Mr. LEA. That is true.

Mr. O'CONNOR. Now, then, what provision is there in the bill for taking care of the men who are put out of employment, assuming that we merge some of these railroads, either weak or strong?

Mr. LEA. You will notice on page 209, line 13, there is a provision reading:

And (4) where appropriate, the interest of the carrier employees affected.

They have a right to make that a condition upon which they grant approval of consolidation.

Mr. O'CONNOR. There is one other question I want to reserve under the 5-minute rule. It is this: Just what obstacles under the existing law now standing in the way of bringing about consolidation have been eliminated in this bill? I do not ask the gentleman to answer that at this time.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I sincerely wish that every Member of this House could have the privilege of sitting on every committee of the House in order that they might all be fully informed on every subject under discussion and on which the House will ultimately be called upon to vote. This is a practical impossibility, so the work of the House is divided among the committees.

The Committee on Interstate and Foreign Commerce, on which I have the honor to sit, has done a very difficult and I believe patriotic service. In the first place, we have listened to that which now appears in 1,900 printed pages of testimony, in 10 weeks, and have since analyzed that testimony, and we now present our considered judgment in the form of this legislation.

Some question has been brought up here as to just why the original Senate bill bearing this number, S. 2009, was not

merely slightly amended by our committee. May I point out to you the fact that the Senate bill was introduced in the Senate a month or so after the original House bill was introduced in the House by our chairman, Mr. LEA, and that this bill, through hearings, and so forth, was in the course of preparation when this Senate bill came to us. I believe it is a matter of convenience that we have used the Senate number in passing this bill out to the House.

Mr. Chairman, I want to make a few statements which I hope will be interesting.

The American people are an extremely busy people. We found in our committee hearings that for every man, woman, and child in the United States between 10 and 15 tons of material are moved some place every year. If it is considered that 10 tons per year are moved for every man, woman, and child, that 10 tons is moved 432 miles. We are an extremely busy people. If our country were a good deal smaller in area than it is, of course it would not be necessary to move that material so far. If we did not have so many desires and wants, we perhaps would not have to move so much material.

Nevertheless that is the case: Ten tons for every man, woman, and child in the United States were moved 432 miles last year. A sum equal to nearly one-third of our national income is spent every year for transportation. Nearly all of that, or a great share of it, is handled through land transportation means, by railroad and by truck. A small percentage of it is handled on our inland and coastwise waterways. Something like 300,000,000 tons is handled on the waterways.

On the Mississippi River system, of which I would like to speak for a moment, in 1938 there were handled 63,000,000 tons. Of this tonnage 5,060,000 were transported by common and contract carriers. Of the 5,060,000 tons a little better than one-half, or 2,767,210 tons, were handled by the Government-owned Federal Barge Lines. The Mississippi Valley Barge Lines, a privately owned carrier, was the next in order. This handled 430,000 tons. One-half of the tonnage carried on the Mississippi River system was carried in the lower Mississippi section, including the canals running east and west into Texas and into Florida. The Federal Barge Lines and the Mississippi Valley Barge Lines have nearly one-half of all the common-carrier business on the Mississippi River, and perhaps two-thirds of that is now joint rail and water and under the jurisdiction of the Interstate Commerce Commission, as far as rates are concerned. Two-thirds of it is already under the jurisdiction of the Interstate Commerce Commission.

I do not know the exact tonnage of the intercoastal canals and coastwise vessels, but as nearly as I can find out they handle something in the neighborhood of 150,000,000 tons annually. Nearly all of this tonnage handled in the coastwise and intercoastal canal service is exempted under this bill as bulk carriage, and all but 5,000,000 tons on the Mississippi River system, approximately, is exempted as either bulk carriage or private carriage.

The Panama Canal carries the traffic that runs between the two coasts, and that traffic is fairly heavy, but it is not much more than seven or eight million tons per annum. But these intercoastal carriers paid in tolls to the Panama Canal in the year 1937, \$10,799,740.28. This was 34.87 percent of the operating expenses of those carriers and 29.2 percent of their entire operating revenue. They paid as tolls to the Panama Canal nearly one-third of all the money they took in.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield briefly to the gentleman from Michigan.

Mr. DONDERO. Why were the exemptions made for the Mississippi River boats, and also for the vessels on the Great Lakes?

Mr. HINSHAW. The exemptions were made for private carriers because, in the first place, anybody who owns a boat himself has the right to take it anywhere he chooses as the waterways, both inland and Great Lakes as well as intercoastal canals, are free as the highways are free. That

takes care of the private carriers. As far as the bulk carriers are concerned, those hauling sand and gravel, coal, oil, and similar materials in rough bulk, it was thought that those commodities were of such a nature that the handling of such cargoes was not competitive, consequently they were left out. In this bill we are interested in competition.

Mr. DONDERO. As it relates to the Great Lakes, is it not also true that the Canadian commerce is unregulated and that we could not compete with them unless our own Great Lakes traffic were also left unregulated?

Mr. HINSHAW. I may say to the gentleman from Michigan that the Canadian commerce is regulated except for bulk carriers. Bulk carriers are excluded from Canadian regulation, and we have excluded American bulk carriers on the Great Lakes from this regulation. The Great Lakes are international waters by treaty and any boat of any nation has a right to go anywhere on them as it pleases.

Mr. DONDERO. Is it not a fact that the Canadian commerce is regulated so that their vessels can transport goods and materials far more cheaply than can American ships?

Mr. HINSHAW. By virtue of the fact that they work their seamen 12 hours a day and pay them considerably less than ours are paid, the cost of operation of the Canadian vessels is considerably lower than the cost of operation of the American vessels.

Mr. DONDERO. It is about 35 percent lower, I believe, according to the figures given.

Mr. HINSHAW. Something like that.

The gentlemen who are opposing this bill are opposing, practically, only one part of it, and that is title II, which brings the rates of common carriers and nonbulk operations of contract carriers by inland and coastwise waterways under regulation of the Interstate Commerce Commission. It provides unified rate regulation for rail, highway, and waterway transportation within the continental limits of the United States. But especially it provides that the inherent advantages of each form of transportation shall be preserved in the public interest.

There is very little opposition to title I of this bill, or title III, so far as I can discover or so far as has been brought out in the debates in the House, which I have heard in full. Title I of the bill simply amends the present Interstate Commerce Act and adds to it a few provisions considered to be for the general advantage of the whole transportation system of the United States and in the public interest. Although title I does not comprise a very large proportion of the total number of pages in this bill, yet if you add to them the entire volume of laws of the Interstate Commerce Commission previously enacted you would have a very large body of printing. Therefore, as there is almost no controversy over titles I and III, I shall address myself for the moment to the subject of title II, which concerns the inland waterways.

Those people who object to regulation on the inland waterways must remember that a very small percentage of the tonnage on the inland waterways comes under this bill. The private carriers are completely excluded, and the bulk cargoes are completely excluded, and the remaining business of the contract carriers is to be regulated only in the matter of minimum rates. Approximately two-thirds of the common carrier water-borne commerce is already regulated as to rates by the Interstate Commerce Commission, through joint rail-and-water rates, and we merely seek in this bill to bring the other one-third under regulation. We provide also for joint rates and through routes for transportation by water and rail and transportation by water and motortruck.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman, briefly.

Mr. JENSEN. Are corn and small grains exempt from the inland water rates?

Mr. HINSHAW. If in bulk, it is exempt.

I see no particular reason why this opposition should develop. These inland waterways have been furnished to the people of the United States at very considerable expense.

On the Mississippi River and its tributaries the Government of the United States has spent \$693,000,000; on the

intercoastal canals and waterways the Government has spent \$148,000,000; and on the lakes, harbors, and channels, \$237,000,000; seacoast harbors and channels, \$721,000,000. A total of \$1,799,000,000 of the taxpayers' money has been spent on improving the waterways of the United States for which no tolls are charged, no gas tax, no property tax.

Mr. TERRY. Mr. Chairman, will the gentleman from California yield?

Mr. HINSHAW. Yes; briefly.

Mr. TERRY. The gentleman has pointed out the very small portion of the traffic on the inland waterways that would come under this bill by reason of coming under the Interstate Commerce Commission. I am wondering, if that is true, why it is generally stated that by putting the inland waterways under the regulations of this bill, it will have a great tendency to save the railroads from their present financial difficulties.

Mr. HINSHAW. I do not connect it with a saving to the railroads of any great financial difficulty. I connect it more with the saving of the waterways from their own difficulties.

Mr. TERRY. In other words, the gentleman feels then that so far as being of benefit to the railroads themselves is concerned, that would be very small.

Mr. HINSHAW. It is a small benefit, if any, to be sure.

Mr. TERRY. And it would not assist in bringing the railroads out of the trouble they have now.

Mr. HINSHAW. It would assist in coordinating the entire transportation system of the United States to the benefit and best interests of the people of the United States and that is why I favor it.

Mr. TERRY. Then it is simply a matter of being for the general public good.

Mr. HINSHAW. That is my belief. In support of that statement I want to read from a letter sent to me by Mr. G. K. Little, vice president of the Baker Towboat Co. of Tuscaloosa, Ala. In this letter, dated June 10, Mr. Little states as follows:

For a number of years this company has been towing coal from mines in Walker County, Ala., to a cement plant at Spocari, Ala., for \$1.25 a ton. The Federal Barge Line, over our protest, cut this rate to \$1 a ton and took the business away from us. Last year the Federal Barge Line and the railroads both reduced rates from the Warrior coal fields to Spocari, Magazine, and Mobile, Ala.

So I wrote the gentleman in answer to that and told him that I believed that his complaint of rate cutting is a good argument in favor of Interstate Commerce Commission regulation of rates. He attached to his letter a copy of his letter to Maj. Gen. T. Q. Ashburn, president and chairman of the Inland Waterways Corporation.

[Here the gavel fell.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. HINSHAW. Mr. Chairman, here is what he said to General Ashburn:

DEAR GENERAL ASHBURN: We understand that the Federal Barge Line has put in the following rates on coal shipments in Alabama:

River mines to Magazine, Ala., 85 cents per ton.

River mine to Mobile, Ala., 75 cents per ton.

River mines to Spocari, Ala., 50 cents per ton.

These rates have already resulted in the reduction of the rail rates from Southern Railway mines to Magazine, Ala., to \$1.10 per ton, and a petition from the railroads to the Alabama Public Service Commission asking that the domestic rate of \$1.80 per ton to Mobile be reduced to \$1.40 per ton.

In our opinion, the rates quoted by the barge line are too low and should not be less than the following:

River mines to Magazine, Ala., \$1.10 per ton.

River mines to Mobile, Ala., \$1 per ton.

River mines to Spocari, Ala., 75 cents per ton.

We believe that these rates are the lowest at which any private boat line can operate and make a living profit, and we do not believe that the Federal Barge Line should make a rate so low as to shut out all private competition.

We are advocates of the continuation of the Federal Barge Line, as we believe that it is doing a valuable pioneer work in restoring traffic to our rivers and fighting the battle of the waterways against powerful interests that would like to see them abandoned.

We believe, however, that there is danger in quoting rates so low that the railroads and other enemies of our waterways will have just grounds for criticism, and also so low as to cripple the development of private boat lines.



If you can find a better argument for bringing the intercoastal and river navigation in under the I. C. C. so far as common carriers and certain contract carriers are concerned. I would like to know where to find it. Both the Mississippi Valley Barge Line, which does 500,000 tons of business a year and the Federal Barge Line, which does more than one-half of the common and contract carrier business on the Mississippi, favor this legislation. The balance of the business to be regulated is minor, it does not amount to much, with the exception of the bulk carriers and the private carriers, which are excluded. I believe that the arguments opposed to this bill are largely jurisdictional arguments, as made by the estimable and able gentlemen of the House who are on committees that consider water legislation, and that they should carry no weight in consideration of the all-important fact that we must have a unified, coordinated, and capable transportation system over the United States. I urge the adoption of the bill as it stands.

Mr. GEYER of California. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Yes.

Mr. GEYER of California. I know that my colleague comes, as I do, from the southwest, and is very much interested in the growth of the Los Angeles area. I have received information from my maritime unions there that they feel this legislation will be destructive to commerce in Los Angeles Harbor. Are these fears well grounded?

Mr. HINSHAW. I think that they are not. I have examined into it carefully with that in mind. This bill does not adversely affect intercoastal traffic through the Panama Canal, and has nothing to do with Los Angeles Harbor.

Mr. GEYER of California. It will increase the freight rates, will it not, from Los Angeles into the back country?

Mr. HINSHAW. No; I do not believe it will. This bill does not repeal the fourth section.

Mr. GEYER of California. The gentleman stated that because of competition he wanted it, and if we are going to bail the railroads out, will we not have to automatically raise the rates?

Mr. HINSHAW. No; I do not think that is true. What we need is more and better business. Then all transportation will receive its fair share of it.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. LEA. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. MANSFIELD].

Mr. MANSFIELD. Mr. Chairman, I have no prepared address for this occasion. In fact, I did not expect to speak until yesterday. First, I compliment the distinguished chairman of the Committee on Interstate and Foreign Commerce and the other members of that committee. The chairman of that committee came to Washington in the same Congress in which I came, 1917. I believe that he and I have stood together on almost everything that has come before Congress up to this time. We even voted against the National Transportation Act of 1920.

One point was made by the gentleman from California [Mr. LEA] yesterday which I desire to mention. He refers to the maintenance of waterways and of railways and told us that when waterways become obstructed the obstruction is removed by the Federal Government, but that when the railway becomes obstructed that obstruction is removed by the railway at its own expense. That is true, but that waterway is free to the use of every citizen of the United States, and the railway is free to the use to that particular railway company only. That is a very broad distinction.

Attention has been called to a provision in this bill in regard to the replacing of the railway bridges over waterways. On page 9 of the report of the committee attention is called to that, and it is stated that that is a change from the present practice. I am afraid that some of the railways—I would like to say “train busters,” but I shall say “brain trusters”—have pulled the wool over the eyes of the members of the committee.

In the pending river and harbor bill which passed this House but a few months ago and is now pending in the

Senate, there is one provision in regard to the improvement of the Calumet-Sag project in Chicago, totaling a cost of \$25,200,000; \$10,700,000 of that amount is for replacing railway bridges at the cost of the United States Government. So you see there is no change in that provision from the present practice. That bill passed the Committee on Rivers and Harbors by a unanimous vote, and passed the House practically by unanimous vote. It has been favorably reported by the Committee on Commerce in the Senate by unanimous vote, and is now on the Senate Calendar. If it passes the Senate and becomes a law, there is a provision in one project only where the United States pays to the railway companies more than \$10,000,000 for the replacement of their bridges on one project alone. So much for that.

Mr. BULWINKLE. Mr. Chairman, will the gentleman yield?

Mr. MANSFIELD. Yes.

Mr. BULWINKLE. How many such instances are there in the United States?

Mr. MANSFIELD. Very few. There are not many cases of that kind that arise at all, and probably no more will arise in the next 10 years.

I want to call attention to this question of subsidies. We have heard a great deal about subsidies for the waterways. I want to make this statement, and I defy any man in the United States to dispute it. Subsidies to the railways, by reason of waterway improvements, are greater today than the subsidies to any boat line or any steamship line in the United States. We have upon the Great Lakes some 10 or 12 ports, almost exclusively for railroad use, in the ferriage of railroad trains. They are saved millions of dollars by reason of it. They tell us that if they were not permitted to ferry trains across Lake Michigan they would have to run their trains around over other lines of railroads south of Lake Michigan, through the car yards at Chicago, and that it necessarily delayed the trains approximately as much as 3 weeks in addition to the great cost they would be put to; but by reason of the Government dredging and maintaining those harbors on Lake Michigan, exclusively for railroad use, at Government expense, they are saved this enormous expense, amounting to many millions of dollars every year.

Reference was made to the port of New York. The car ferriage traffic of railroad cars loaded in the harbor of New York amounts to a billion dollars a year more than traffic handled in that port in ocean bottoms. How many people know that? The false propaganda that has been going over this country by reason of railroads circulating such things is absolutely terrific to one who has had occasion to make a study of these things. I hope the truth will become known before these discussions are over.

In 1934 the railroad car ferriage traffic from the different sections of the port of New York amounted to more than \$14,000,000,000 in value, while freights handled by all the ships of the world that come in there were a little more than \$13,000,000,000 in value. Almost every port in the United States has car ferries for the railroads. We have four ferries between Canada and the United States at Detroit, ferrying passenger trains, United States and foreign mails, express, and traffic of all kinds, which the railroads get entirely, but the Government of the United States dredges and maintains those channels for their use. [Applause.]

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. HARRINGTON].

Mr. HARRINGTON. Mr. Chairman, I find myself most emphatically in accord with the views expressed by the minority when this bill was reported from the House committee. As the Members signing the minority report so cogently said, “There is no public need nor demand for such vast extension of Government regulation of water transportation as is provided in this bill.” That being undeniably the case, the proper thing to do would be to strike title II in its entirety from the bill.

No one will gainsay the fact that railroads are a necessity and the national interest demands that they be maintained

in a manner that will enable them to render efficient and adequate service. But it does not follow that Congress should enact legislation that is deliberately designed to hamstring and cripple other forms of transportation.

The plan for regulation of the water carriers contained in this bill has been justly condemned by the Secretary of War, whose Department from the early days has been charged with the improvement of our inland waterways; it has been condemned by Chairman Land of the United States Maritime Commission, and its iniquities have been laid bare in a letter addressed to the Speaker of the House by the Secretary of Agriculture. As Mr. Wallace so appropriately puts it, "Any effort to improve the condition of the transportation industry should be harmonized with the general welfare." That is what the pending bill most glaringly fails to do.

The farmers of the country have long suffered from high transportation costs. In normal times they pay approximately 20 percent of the freight bill of the Nation. High rail rates tend to depopulate the interior of the country and to remove the farmer's market farther and farther from him. It increases his cost of doing business.

It cannot be successfully denied that water transportation is cheaper than rail transportation; and wherever this cheaper transportation is available to the farmers it would be a crime to deprive them of it.

Last year the farmers of the country received only 40 cents out of every dollar paid by the consumers for food. Some years back the farmer's share of the consumer's dollar went down to 33 cents. Such legislation as this would further aggravate the deplorable situation with which the agricultural producers of the country are now confronted.

As I see it, the prime purpose of title II of this bill is to raise water rates so as to place them on a level comparable with rail rates, creating a transportation monopoly. I raise my voice in protest against the perpetration of such an unwarranted outrage.

I am opposed to title II of this bill, the part placing water transportation under the devitalizing regulation of the Interstate Commerce Commission. I am not opposed to helping the railroads. On the contrary, I will go just as far as any other Member of Congress in helping the railroads to help themselves, and particularly to safeguard the welfare and interests of the employees of railroads. On the other hand, I am convinced that the strangulation of waterways, which is the obvious purpose of title II, will help neither the railroads nor the railroad employees, and, in short, that it is not the solution of the railroad problem.

I am just as firmly convinced that the incarceration of the waterways in the strait jacket of Interstate Commerce Commission regulation will only serve to saddle an additional burden on the farmers and shippers, the consumers, and the general public of this country, and further tend to stagnate the sources from which our domestic commerce springs.

To my way of thinking, this is a situation where an elephant has gotten himself tangled up in a mess of trouble, partly of his own making, and the blame is laid upon a mouse. Therefore, it is proposed to catch the mouse and put him into the same mess of trouble. It will punish the mouse, all right, but just how is it going to help the elephant?

Proponents of title II ask: "Why shouldn't the waterways be subject to the same regulations and restrictions as the railroads inasmuch as they are competitive?" My answer is that one dose of bad medicine does not warrant another. Simply because one member of a family has squandered his resources and, partly perhaps through no fault of his own, has landed in the poorhouse, is no reason every other member of the family should be placed in the poorhouse to share the pauperism of the first unfortunate. The obvious solution is to get the one out of the poorhouse rather than to put the others in.

In this discussion you will hear the inland waterways attacked as unfair competitors of the railroads, as the recipient of Government subsidies, and so forth, so much so that one might think that our waterways are an alien and illegitimate form of transportation. Should it not be recognized that the rivers and seas are our original avenue of trans-

portation, God-given, if you please, and that if there is any interloper on the transportation scene, it is the railroads.

Rightly it has been said that our inland waterways belong to the public. Anyone can use them. But just try to operate your own private handcar over a railroad track and you quickly discover that you are trespassing. You promptly find out that the railroad right-of-way is a private monopoly and that you have no rights there unless you conform to the requirements of the private owner and are willing and able to pay whatever tariff he sees fit to exact.

Therefore, it is well to thus clearly define and understand the relative positions of these two forms of transportation—the one belonging to Mr. United States Citizen, the other owned by Mr. Private Monopoly, whose record of economic and moral sins is, well to be charitable and say the least, nothing to brag about.

Still I will grant you that everything possible should be done for the railroads, as long as what is done is constructive and not destructive as I construe title II of this bill to be. You cannot build up one fellow by tearing all the others down, but this is what the present bill proposes to do.

Personally, I feel that much of the present railroad trouble is due not so much to competition as to lack of competition. Fair competition is healthy for all, but when you tie up the railroad industry with all the rules, regulations, restrictions, and red tape that now comprises railroad law, the industry naturally loses energy and ambition and creeping inertia sets in. It seems to me that an obvious means of assistance would be to release the railroads from a lot of these restrictions, let them compete with one another, let them go after and create new business. Replace inertia with initiative, and I believe more would be accomplished than by trying to put another tiny competitor into the same strait jacket.

Let me give you an example of what, perhaps necessarily, seems to be the dominating theme of railroad operation in the United States today. Just the other day the Des Moines Register carried a story that an employee in the accounting department of one of the railroads had been handsomely rewarded. For what? For discovering that this particular railroad could save itself \$50 a day by shortening the run on a certain division, thereby dispensing with a substantial number of man-hours of labor and throwing some employees out of work. I mention this as indicative of what appears to be the twin trends of thought actuating railroad operation—first to increase revenues by raising transportation rates, and second to cut down expenses by laying off employees. Any other business operating solely on these two principles could not help but go broke, and many of the railroads have.

Within recent years we have seen the railroads demonstrate what a little initiative and an idea can do toward recapturing some of their lost business. For nearly half a century the lines had been operating with just about the same type of passenger equipment and approximately the same speed schedules. Then one railroad tried out a super-speed streamlined passenger train, and things began to happen. Passenger business immediately picked up and a great deal of business lost to the airways and highways was recouped. The result is that most of the lines are now operating this type of train with gratifying increases in passenger revenue.

More of this type of initiative and effort, less regulating and restricting, and the railroads would not have to worry so much about a competitor that carries only 4 percent of the freight. Let us loan them money; let us cut out some of the red tape and restrictions; let us help get the railroads out of the hole, but why in the name of common sense subject waterways to the same type of treatment that has ruined the railroads?

Other speakers have quoted expert opinion in support of my position in this matter. They have quoted the Secretary of War and the Secretary of Labor and farm organizations and shippers in opposition to the waterways section of this bill. So I will not go over the same ground again. Instead I will conclude my remarks with a little story of how



high transportation costs have stagnated the tri-State empire of which my home town of Sioux City, Iowa, is the commercial capital.

Years ago we had river transportation on the upper Missouri River and this territory was a prosperous empire. Then the railroads came, several of them running a race, in fact, to get into this rich territory. Strange as it may seem, the railroads actually put the river out of business. These were days before Interstate Commerce Commission rule when rate cutting, rebating, and other sharp practices were indulged in.

At any rate, with the new, quicker, and just as cheap form of transportation the steamboat business slowly disappeared, the river was neglected, and eventually meandered off into another channel and became unnavigable. In the course of time the Interstate Commerce Commission came into being, stopped some of the abuses, and started regulating rates. Ever since then the trend of freight rates has been in only one direction—up.

We continued to raise crops, but high freight rates erected a new barrier to the successful marketing of our foodstuffs. As our purchasing power was reduced, we had to cut down on the things we bought from other sections of the country, and this made less business for the railroads. Railroad traffic gradually declined, railroad employees lost their jobs, and as traffic dwindled, freight rates went still higher—the higher the rates the less business, and the less business the fewer railroad men employed.

As now planned by the Army engineers, river navigation will be restored to the Sioux City territory by 1941. The return of shipping to the Missouri River will release this inland empire from the economic shackles of prohibitive freight rates, help reestablish industry in the midst of agricultural plenty, expand our trade markets, and help bring back prosperity of this section. It will mean new life, new hope, new commerce, new production, new consumption, and with it a prosperity and purchasing power to absorb the products of the East, the South, and the West, which are now denied this region by reason of high freight rates and low purchasing power.

But the important thing here is that the railroads are going to profit rather than suffer from the rehabilitation of the upper Missouri River Basin. I am informed that the roads are now losing more money proportionately in this section than in any other, and that employment for railroad men is correspondingly bad. With the return of self-sufficiency to this section, it is only reasonable to anticipate that railroad traffic will increase accordingly and that railroad employment will get back on the upgrade. It is always the history of transportation that, even with river competition, the railroads continue to carry the great bulk of the freight.

In conclusion, let me refer the Members of this House to the minority report of the Interstate and Foreign Commerce Committee reporting out this bill. The report says:

The total amount of freight handled by the water carriers involved amounts to less than 4 percent. If this traffic were taken over by the railroads, the handling of it would be easily accomplished by slightly lengthening trains, without increasing the number of employees. In other words, both management and labor in the railroad field, we believe, are chasing a rainbow in their hope that this bill will bring them prosperity.

Therefore, with the interests of the farmers and working people of my section of the country in mind, and with the interests of the railroad employees of Sioux City and north-west Iowa just as fully in mind, I am going to express the hope that the House will see fit to eliminate title II from this bill. I am fully and firmly convinced that the welfare of the citizens of my district, including the railroad men, is wrapped up in the restoration of economic self-sufficiency to this area, and I know that the benefits of river transportation, so long hoped for, will be hampered if not altogether hamstrung by the enactment of the waterways clause. No Member of Congress wants to help the railroads and the railroad men more than I do, but I submit that drying up

the rivers to freight traffic is not the solution. It can do little good. It will do much harm. [Applause.]

Mr. LEA. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, yesterday, a proponent of this measure stated on the floor of the House that this is not a railroad bill, but I submit to you that every Member in favor of it bases his support on the contention that the railroads need help. I have heard no one assert that the inland waterway contract carriers have asked for legislation of this kind. I have heard no one assert that there is a public clamor for regulation of the small independent inland waterway contract carrier. No one has asserted that the inland waterway carrier has been guilty of the same practices which forced upon the railroads regulation by the Interstate Commerce Commission. No one has charged that the small waterway carrier has been guilty of the same misdeeds, of the same corruption, exploitation and building up of false-capital structures as was true of the railroads.

Low-cost water transportation is of benefit to the entire Nation; to the consumer; to the farmer and to the commercial and manufacturing interests. By assiduous and intensive propaganda, the Association of the American Railroads has sought to convey to the Congress and to the people of the country that all railroads are in desperate financial condition. I, for one, do not believe this to be true. It can be shown on the very best of authority that the majority of rail carriers are in remarkably sound condition when contrasted to business in general.

The Congress is being asked in this bill to legislate against an industry which is by every measurement only a weak competitor to the powerful railroad systems. This cannot be denied because the inland waterways sought to be regulated only carry 3 percent of the total transportation of the country. The Congress is being asked to legislate in favor of the strong and against the weak. It is being asked to sacrifice and destroy the usefulness of cheap inland waterway transportation for the sole purpose of attempting to strengthen the weak financial structure of the powerful private railroad interests.

If this bill is enacted, I predict that the small independent contract water carrier will very shortly be starved out of business and the railroads will have a practically complete monopoly.

Suppose we admit that some of the railroads of the country are in poor financial condition. Is not that generally true of every business concern? Is it not true of the farmer, the retail merchant, the skilled mechanic, and the laborer? The blame for the condition of these few railroads cannot be laid at the door of Congress. No legislation has been passed by this, or any other Congress, of which I am aware, that can be held responsible for their condition. Personally, I am not antagonistic to the railroads. I believe that their welfare is bound up with the welfare in general of all American business, but I do think that this bill goes much too far. Railroad management has shown no disposition to put its shoulder to the wheel and try to pull itself out. On the contrary, it has shown a disposition to depend upon legislation alone to lift it out of its difficulties.

This bill contains 243 pages, and in those 243 pages you will not find a single proposal which would have the railroads do anything whatever toward helping to improve or ameliorate their own situation. Every provision of the bill seems to have for its purpose the relieving and freeing of them from proper restraints and obligations which now rest upon them. While on the other hand, in provision after provision, restrictions and prohibitive tolls are imposed upon their competitors, particularly the small independent contract water carriers. Only one result can ultimately ensue, and that is a higher transportation cost to the consuming public.

There is another phase which I think is important. All over the country factories, warehouses, flour mills, steel mills,

and plants have located themselves so as to be able to take advantage of low-cost river transportation. You will find them concentrated along river fronts. Passage of this bill and the regulations to be imposed would, without any doubt, increase their overhead costs, would increase their transportation costs. These additional costs would take away from them the advantage which they enjoy by reason of their location. It would, in many cases, destroy their business and would, in most cases, demoralize the operation of the industries so located. The enormous investments by these private companies would be jeopardized because many of them are existing solely because they are enjoying the benefit of their location and of river transportation. When their transportation rates are increased, as they surely will be if this bill is passed, their prices to the consumer will necessarily be increased. Large industrial areas would suffer a paralyzing blow and thousands upon thousands of employees would lose their jobs. Vast industrial structures, such as mills, factories, and warehouses would lose the inherent advantage which they enjoy because of their location and their low-cost water transportation, and would be compelled to either operate at a loss or to close down their plants.

These large industrial enterprises, which by the exercise of sound judgment in the first instance by taking advantage of what may be said to be the natural advantages of the country, by their hard, honest work, their employment of good business ethics, would, through an act of Congress, suffer an irreparable loss and perhaps be totally destroyed. A survey of the country will, no doubt, show that the greatest industrial activity occurs in those districts adjacent to or served by navigable streams.

Are we, by the passage of legislation of this sort, to attempt to reverse the basic and fundamental principles of economy and industry? Should we be expected, in order to help the financial condition of a few railroads, to devitalize our industrial empires and to combat the principles of natural finance, economy, and industry? Are we to say that we shall not take advantage of one of the Nation's greatest natural resources, our navigable streams, by putting the use of these navigable streams under an insuperable handicap?

The small help that this bill is intended to give toward relieving the railroads is many times outmeasured by its far-reaching consequences and damages to the prosperity of the country in general and to the increase in cost to the consuming public. Other proposals are now pending before Congress to help the railroads, notably the proposal to lend them hundreds of millions of dollars for the purchase of equipment and rolling stock. Whether the proposal to lend them this money is sound I am not prepared to say; but I do say this, that there is no valid reason for the passage of the measure now pending, as I am firmly convinced that its ultimate effect will be disastrous to industry and business and to the consuming public in general, as well as being inimical in the long run to the railroads of the country. [Applause.]

Mr. LEA. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland [Mr. COLE].

Mr. COLE of Maryland. Mr. Chairman, under permission previously granted I shall extend my remarks considerably by the insertion therein of numerous tables and statistical data taken from the hearings held on this very interesting subject. I hope between the adjournment this afternoon and Monday or Tuesday whenever we happen to vote formally on the controversial features of this bill, Members who are away over the week end will have an opportunity to read what I have tried to compile as a brief, succinct summary of some of the high spots from the hearings insofar as the plight of the railroads of this country is concerned.

Qualifying, as I think I may, in discussing a bill of this character, I come from a great water State. My district has much water. I doubt if there are many Members of this body who have more constituents than I whose livelihood is found along the water-front and whose problems are affected by this legislation.

I am for this bill. I am not willing to concede that my study of this problem can match that of the President of the United States, of the Honorable Jesse Jones, head of the Reconstruction Finance Corporation, now promoted to an even greater position, an agency which has loaned almost a billion dollars to the railroads of this country, much of which has been paid back. To give you an idea of what I had in mind in referring to Mr. Jones, it was my privilege to question Mr. Jones when he appeared before the committee. Reading from his testimony—which will follow herein at greater length—in answer to a question which I propounded, he said—

I am rather inclined to the opinion that the Interstate Commerce Commission should fix, or somebody ought to fix, all of the rates for all of the different carriers, so as not to let them cut each other's throats.

I imagine that is where the "cutthroat" phrase was coined yesterday, with which so many of our friends found objection.

When I hear talk about the damage to our water-transportation systems to follow the enactment of this bill, I look naturally to such water carriers as the great Merchants & Miners Transportation Co., operating between Boston and Florida, one of the main water companies of this country. I was curious to know their reaction to the final draft of this measure presented by the subcommittee of which I am a member. You will find it set forth in full later in my remarks. I want here to pay my respects to the members of this committee of which I am a member for the hard work they have put in on this bill since January—not only the past 2 or 3 weeks, but since last January, morning, afternoon, and night. I was amazed at the spectacle we saw before the Rules Committee of this House when great Members of this Congress, chairmen of major committees, saw fit to try to stop consideration of this measure through the denial of a rule. I had never experienced anything of that kind. This bill has been available to everybody. True, it was in its final shape only printed a few days ago, but in presenting it this week end there was no idea of trying to drive it through this afternoon. The desire was to give the membership ample time. Copies of committee prints have been available from time to time. We, the members of this committee, standing unanimously behind this measure, feel that the more time you have to study it, the more you read it, the more seriously you consider the debate we have had in the past 2 days, the more convinced you will be that the transportation problem is one of the most vital before this country at this time, one of the most serious, and, as the President says, one that must be solved and should be solved through a measure of this character. So today messages similar to that from the Merchants & Miners Transportation Co. from back home are coming in.

Last night I looked over once more the report of the Maritime Commission and the latest survey of coastwise and intercoastal shipping which was presented to Congress in March last. Some of the Members pleading for water-borne transportation should read parts of that report. They will find those of the water carriers free from financial obligation in competition with other water carriers being financed today by the Maritime Commission, and possibly properly so. It is a promotional agency of this Government, not a regulatory body, an agency set up—and I hope that we might further dignify it along these channels—to promote and develop the merchant marine of this country. It should not be a rate-making body. I leave it to the fairness of the membership of this Committee if we want to legislate millions and millions of dollars at the free disposal of an agency such as the Maritime Commission, for the membership of which I have the highest regard—an agency to lend money almost at will, and at the same time throw the water traffic which that money develops into competition with the fellow who is able to travel the same road without financial help. It is not done with the railroads, it is not done with the trucks, and upon



the passage of this bill it will not be done, I am glad to say, with water transportation, except within the field that proper development of our merchant marine requires.

Mr. Chairman, I now quote from a message from President Roosevelt, dated April 11, 1938, addressed to the Congress and published as House Document No. 583:

I ask your special consideration of the fact that matters relating to transportation in its wider sense are now dealt with by the following departments or agencies of the Government:

1. The Bureau of Public Roads of the Department of Agriculture.
2. The Bureau of Air Commerce of the Department of Commerce.
3. The United States Maritime Commission.
4. The Division of Transportation of the Bureau of Foreign and Domestic Commerce of the Department of Commerce.
5. The Interstate Commerce Commission.
6. The Lighthouse Service of the Department of Commerce.
7. The Bureau of Navigation and Marine Inspection of the Department of Commerce.

These agencies deal with special phases of transportation rather than the transportation problem in its broader national aspect. Some of the functions are executive, some are legislative, and some are judicial.

From the point of view of business efficiency, such as a private corporation would seek, it would seem to be the part of common sense to place all executive functions relating to all transportation in one Federal department—such as the Department of Commerce, the Department of the Interior, or some other old or new department. At the same time all quasi-judicial and quasi-legislative matters relating to all transportation could properly be placed under an independent commission—a reorganized Interstate Commerce Commission. And such action would be highly constitutional.

I refer to this, not by way of recommendation, but only as one method which should receive congressional study.

In the meantime, and until it has been possible for the Congress to make any and all studies for permanent solution of the railroad problem, some immediate legislation is, I believe, necessary at this session, in order to prevent serious financial and operating difficulties between now and the convening of the next Congress.

The testimony before the Committee on Interstate and Foreign Commerce of Hon. Jesse Jones, in part, ties very definitely with the statesmanlike stand President Roosevelt has taken in this matter. It was my privilege to be questioning Mr. Jones in an attempt to draw from him a recommendation as to what, in his opinion, was necessary as an approach at least toward the solution of our transportation problems. I quote from pages 1776 and 1777 of the hearings, as follows:

#### GENERAL MODIFICATIONS

Mr. COLE. Mr. Jones, we are concluding today about 10 weeks of hearings before this committee in response to statements from the President that there is need for immediate action by Congress in this railroad situation. Committees of three and six have been appointed and have reported. Two important bills have been presented to us, one by the Committee of Three and the other by the railroads. I mean by that, management and labor. This is the first time, to my knowledge, that they have come in since I have been a member of this committee and presented anything like this, which, whether we agree or disagree with it, is the result of many hours of hard work.

Mr. JONES. You mean management and labor.

Mr. COLE. Yes. They have presented a complete bill on this entire subject, and we have heard every interest that is affected.

In view of the testimony before us, and because of your having loaned almost \$800,000,000 to the railroads, and having been very closely and intimately associated with the railroads, both in or out of court for the past 7 years, I am wondering if this paper you have submitted is a complete statement of your recommendations as to what is needed at this time. Are we to accept this as the sole conclusions of the R. F. C. as to what is needed at this time to help the railroad situation in this country?

Mr. JONES. No; I could go a little further than that—the part dealing with the R. F. C.

Mr. COLE. I thought you could, and I would like to hear it.

Mr. JONES. I see; you want to smoke me out. [Laughter.]

Mr. COLE. Well, I do not know of any man in this country I would rather smoke out on this subject than you.

Mr. JONES. All right. This redraft we are suggesting has to do, of course, with the R. F. C.'s part of railroading. That has been pretty well covered.

I would like to make this comment, with all due respect to management and labor: I do not know who represented the fellow who owns the railroads, the security holders. Has he been here yet?

Mr. COLE. Yes, sir; some of them have.

Mr. JONES. He was not in the council of that Committee of Six, was he?

Mr. COLE. I do not know.

Mr. PATRICK. He was represented here.

Mr. JONES. Well, that is only an observation that the people who put up the money to build the railroads were not represented on

that committee, but that is all right. I have no criticism of the committee.

I do not like this idea of lending money at 2 percent and not having any of it come back for 5 years. I think if money is worth anything people should pay for it. If it is not worth anything, let us begin printing it.

I think we ought to help the railroads, but we ought to do it in a sensible way. I do not think that way is sensible.

Now, the next thing you need is a revision, a modification, of your bankruptcy law that will make it possible to reorganize. I sent a letter to the Judiciary Committee which about covered my views on that, and it was about that long [indicating half a dozen lines]. It said when two-thirds of all of the creditors of a railroad—and it should apply to any other business—and 50 percent, or 51 percent, of each class of creditors agree upon a plan of resetting the capital, there ought to be some way to make it effective.

Mr. COLE. That is similar to the pending B. & O. plan.

Mr. JONES. Except I went a little further than that. The B. & O. already has a larger percentage. But it seems to me two-thirds of all creditors and a majority of each class ought to know what is to their best interest, and when they reach an agreement about it I cannot see any reason why we should not have some way to make it effective.

Now, that is the next important thing.

That and some little better regulation of competition.

I am rather inclined to the opinion that the Interstate Commerce Commission should fix, or somebody ought to fix, all of the rates for all of the different carriers so as not to let them cut each other's throats. I think, also, it would be proper to repeal land-grant rates and to put the cost of bridge construction over navigable waters, in substantial part, on the Government, where the changes are ordered by the War Department.

I do not think of anything else at the moment. If anybody has anything in mind, I would be glad to take a shot at it.

Mr. Chairman, I am sure all agree that statements of a character similar to the foregoing could be multiplied many, many times in searching the papers produced by our leading public officials and businessmen throughout the country, including capital as well as labor; but for the purpose of persuading the House, if any persuasion is necessary, that something along the line adopted in the instant bill is necessary, I am going to content myself and limit, by reference in these remarks, the two outstanding gentlemen to whom I referred—the President of the United States and the Honorable Jesse Jones.

Let us proceed, therefore, on the theory that there is need at this time for something of a big and wholesome manner to be done by Congress—and I think it should be this Congress—on the subject. Discard, if you will, from the discussion before us the feeling of prejudice and in many instances smallness displayed by a lot of false propaganda that this legislation seeks to persecute and ruin the water carriers of this country. Again I remind you I represent a State and a district whose people are proud of our great water possessions; and I make the statement now that, aside from those interested in water transportation who have been to my office during my service as a member of the subcommittee handling this legislation, the objection of not a single, solitary water transportation man or company in my entire district, which includes much of Baltimore City, one of the finest harbors in the world, has been brought to my attention. I do not say they are entirely satisfied, and some may still be against the bill, but we feel at least that their objections have been met to a very large extent.

If there is any question as to the authenticity of this statement, let me remind you that activities within the harbor, conducted as a general thing by barges and tugs, are entirely out of the provisions of this bill, just as the commonly accepted bulk cargo carriers admittedly not in competition with common carriers are also excluded. As the strongest possible evidence of the correctness of this statement, let me read you a letter. In introducing the letter to which I have previously referred, I expect it is safe to say that every Member of this House knows of the Merchants & Miners Transportation Co.—certainly every Member of Congress representing the eastern-seaboard States does—because that company performs a service of the highest character; its boats, passenger and freight, operate daily from Boston to Florida and touch all major cities on the Atlantic coast. If the inclusion of water transportation in this legislation is as damaging as some of the weak and empty arguments ad-

vanced by the opposition to this bill, I ask, in all fairness, if you should not expect a great water-transportation company like the Merchants & Miners to be in line with that thought, let us see what they have to say on the subject. I read from a letter dated July 19, 1939, from the president of the Merchants & Miners' Transportation Co., addressed to me, as follows:

MERCHANTS & MINERS TRANSPORTATION CO.,  
Baltimore, July 19, 1939.

HON. WILLIAM P. COLE, JR.,  
Member of Congress, House Office Building,  
Washington, D. C.

MY DEAR CONGRESSMAN: I understand that there will be a vote on the House substitute for Senate bill 2009 this week, and so far as I have been able to study this substitute bill it does contain similar provisions, insofar as water lines are concerned, to those contained in the Senate bill itself.

I hope that this substitute bill meets with your approval and will therefore receive your vote.

We have taken the position for years that the only fair and successful regulation of rates, etc., must be by one regulatory body, and this bill, as we understand it, accomplishes as much along this line as can reasonably be expected.

With kindest personal regards,

Yours very truly,

A. D. STEBBINS, President.

To this letter could be added numerous telegrams and letters from other water carriers which have come to me since this debate started.

Some of us in the past few days have received telegrams from our motor friends opposing this legislation or at least objecting to the amendment inserted in the bill last week by the Committee on Interstate and Foreign Commerce dealing with the American Railway Express and objecting so strenuously that they were almost willing to oppose the entire bill. The true situation is, as those who want to familiarize themselves with it must know and as I am sure many have since been advised, that dealing with this difficult subject in which the legislative drafting service of the House was called into service, a compromise of the attitude of the motor industry on one hand and the railway express on the other was attempted, and that compromise adopted on Friday by the full committee was found over the week end to be capable of a different interpretation than was really intended. Immediately on Monday, when after further study had been given to the matter the language was changed with the complete acquiescence of all concerned and with not only the approval but the hearty endorsement of the motor-truck industry and the railway express officials. There is nothing at all parallel in this situation from the standpoint of the conduct of the committee with that in its dealings toward water or any other phase of the bill. In my own case I received some telegrams in opposition to the bill from motor industries I have stated, but upon receipt of word that the change had been made in the language, which change had been prepared by the legislative counsel, they have been men enough to write to me counteracting their previous expression of opposition and expressing their appreciation of the fact that the features of the bill objectionable and unfair, as they saw it, had been removed. There is any concrete evidence of this situation you desire; I could insert at this point letters before me from the Maryland Motor Truck Association and many others, but I prefer to limit my references to my own State rather than go into the great bulk of correspondence I have naturally received from all over the country on the subject.

A brief history of the study given this subject preliminary to the introduction of legislation is found in this part of the opening statement by our able chairman, Mr. LEA, on page 17 of the hearings:

Chairman LEA. Last spring the President appointed a committee of 15, representing various groups interested in transportation, as a committee to consider our transportation problems. After appropriate conferences at the White House the President invited three members of that committee—Chairman Splawn, of the Interstate Commerce Commission, and Commissioners Eastman and Mahaffie—to present recommendations for legislation.

The committee of three thus appointed, headed by Chairman Splawn, gave a comprehensive report, which was submitted to the Congress with a message from the President on April 11, 1938.

On September 20, 1938, the President appointed a committee of six to consider transportation problems and recommend legislation. The report and recommendations of this committee were, on December 23, 1938, presented to the White House. This committee was composed of M. W. Clement, Carl R. Gray, George M. Harrison, B. M. Jewell, Ernest E. Norris, and D. B. Robertson; three members of this committee represented railroad management and three railroad labor.

The bill now under consideration is an outgrowth of these efforts of the administration to secure legislation to improve the transportation situation of the country.

One of the greatest demonstrations by a big mind and an intimate student of our transportation problems was furnished our committee during the testimony by Commissioner Walter W. Splawn, of the Interstate Commerce Commission. Dr. Splawn, impaired in vision, testified at great length, referring to charts and pamphlets in a way that would test the keenest sight there is, and we all marveled at the accuracy with which he proceeded. While I have prepared a historical background pertaining to the development in transportation, I am going to discard that and read at this point some of the high spots of the testimony of Dr. Splawn, because it is so very accurate and comes as a result of close and intimate association with the problem he has studied and lived with for many years. Quoting from page 19 of Dr. Splawn's testimony referring to early experiments and developments in transportation:

#### EARLY EXPERIMENTS AND DEVELOPMENTS IN TRANSPORTATION

Transportation has been of absorbing interest to the American people since the first colonists settled on the Atlantic seaboard and began slowly to creep up the rivers and look longingly toward the rich and fertile lands of the West that ever beckoned them. For 2 centuries the pioneers were handicapped by lack of transportation. The canoe and coastwise shipping, they had to rely upon. Then came, in the early part of the nineteenth century, the steamboat on the rivers and the lakes. The steamboat revolutionized for the time the settlement of this country. Jefferson had predicted that the country east of the river could not be thoroughly occupied for a thousand years. With the coming of the steamboat, settlers hurried into all of the fertile river valleys and along the southern shores of the Great Lakes in great numbers. Then there began an eager construction of canals. Engineers pointed out that the natural waterways might be supplemented by artificial waterways—man made. The most famous of these canals, the Erie, was completed in 1825.

There was great enthusiasm for the canals and for the turnpike. With New York connected by the Hudson and the Erie Canal with the Great Lakes, Philadelphia looked longingly toward connection with Pittsburgh on the Ohio and projected canals to the west, in spite of the expensive portages that interfered with continuous transportation.

Baltimore looked to the Chesapeake & Ohio Canal and the great business acumen of George Washington was brought into counsel in the promoting of that canal. Boston was shut off by the mountains from any canal connection with the Hudson or the Lakes to the west.

The advocates of the canals were in all of the States, particularly New York and the States bordering the Lakes and the navigable rivers; enthusiastic advocates of this type of transportation solicited the support of the States, the municipalities. States went into the transportation business. Candidates for Governor and for the legislature boldly claimed to their constituents that enough would be made from canal tolls to bear all of the expenses of the State government and relieve the people from all taxes, and some of them in their zeal prophesied that the earnings would even educate all of the children in the State.

Quoting further from page 21 with reference to the rapid extension of the railway net:

In 1873 there was a terrific panic. Overexpansion of transportation was one of the chief causes of collapse. Railroads had been built too far ahead of the traffic. The canals in 1837 had not built ahead of the traffic, but ahead of the capacity to finance them. Then in the eighties 70,000 miles of railroad were built. The great transcontinental lines for the most part were completed with some others to follow in the next 10 or 15 years, and another panic broke in 1893 in which overexpansion in transportation was again a big factor. That panic ran along for several years. It was a major depression, and yet there was railroad construction; refinancing of railroads; reorganization of railroads; borrowing much money from European investors to rehabilitate railroads during the nineties.

Quoting further from page 23 dealing with competitors emerge:

#### COMPETITORS EMERGE

The period of liquidation set in in the early twenties. This country then began to invest in and lend very heavily to Europe and for 6 or 7 years there was a continued foreign market, which turned out to be another abnormal demand for American products.



That is, it was not a permanent demand, though many businesses expanded, thinking it was permanent, and during that era the transportation of the country greatly expanded. The railroads invested six or seven billions of new capital. It appeared that they had a monopoly. About 1920 the Federal Government began to invest very heavily of public funds in waterways and canalizing rivers, and the like, improving the coastwise water facilities. Some \$2,000,000,000 of Federal money during the period after the outbreak of the World War went into those improvements.

Then there came, with the development of the petroleum industry and the parallel development of the automotive industry, a great demand for hard-surfaced roads, and the Congress at various times extended aid to the amount of about a billion and a half dollars to the States. During recent years another half billion in the form of work projects has been added to this road construction, making a Federal investment of public funds of some two billions of dollars in our public highways.

The States, municipalities, counties, and road districts matched that money with about 5 to 1, or with something over \$9,000,000,000. So there has come during and since the World War our system of highways, our hard-surfaced roads, our revived, and repaired, and rejuvenated waterways activities; and then the oil companies have developed, as well as the gas companies, a tremendous network of pipe lines. Electricity in a general way has come to replace much coal, and there has been an improvement in the use of coal itself.

While you have already received an idea of the magnitude of our transportation set-up in the United States, it is so important, as a basis of this legislation, that I am going to insert at this point some tables and discuss that phase of the problem, even at the risk of slight repetition. I do this because, as has frequently been stated, you are not dealing with a small matter but one of the greatest activities ever developed by man. Such is illustrated by the following table with explanation accompanying it from page 24 of the hearings:

#### THE PRESENT TRANSPORTATION SYSTEM IN THE UNITED STATES

The line mileage of the various transportation agencies in the United States is given below according to the latest available statistics:

Agency:	Miles
Steam railway mileage, 1937.....	123,539
Pipe lines.....	110,580
Electric railways, reporting to I. C. C. (excludes city street railways).....	5,069
Mileage of navigable rivers and canals.....	27,406
Highway mileage, excluding city streets, 1936:	
Local.....	2,535,777
State system.....	533,144
Total highway.....	3,068,921
Airway route miles, domestic.....	31,084

<sup>1</sup> Statistics of Railways, 1937, p. S-5.

<sup>2</sup> As of June 30, 1936, Bureau of Mines.

<sup>3</sup> Statistics of Railways, 1937, p. S-199.

<sup>4</sup> Office of Chief of Engineers, U. S. Army, 1935, lakes and harbors not included.

<sup>5</sup> Automobile Facts and Figures, 1933, p. 74.

<sup>6</sup> Air Commerce Bulletin, Jan. 5, 1933, p. 174.

The Pullman Co. operates over 111,507 miles of railways and the Railway Express Agency operates over 282,091 miles of route, of which 211,571 miles are on steam railways.

Let us take first the line-haul miles. Of the railroads it is about 238,000 miles—that is, owned mileage. If that included owned and duplicated operated miles it would be about 250,000. Pullman cars are operated over 111,000 of the 238,000 total owned miles. Express companies operate on 211,000 miles. The express companies operating over other agencies and the railroads total 282,000 miles. There are 110,000 miles of pipe lines, counting the gathering lines; 27,500 miles of improved inland and domestic waterways; about 5,000 miles of electric lines left, excluding city street railways; some 31,000 miles of routes over which commercial aviation is conducted.

Then you have your local highways of 2,500,000 miles and your designated State highways of something like a half a million. Of this over half a million designated highways about 160,000 are hard-surfaced and built of the best materials and are the best highways.

Then there are about 800,000 miles of designated and local that have had some sort of treatment, some type of topping, good, bad, or indifferent.

There is your line-mile transportation set-up.

Hand in hand with the picture you have of a line mileage by various transportation agencies, it is necessary and interesting to be acquainted with the investment in dollars

and cents which the public, including our banks, insurance companies, and charitable institutions have in the agencies with which we are seriously dealing today. I insert therefore, at this point a table which is clear in its explanation and brief, although it covers a tremendous field. Page 24:

#### Investment in intercity transportation agencies

Agency	Investment	Percent
Investment in rail transport agencies:		
Steam railways—book investment.....	\$26,598,000,000	
Less accrued depreciation.....	3,000,000,000	
	\$23,598,000,000	44.34
Electric railways, not including city street railways.....	430,000,000	
Less accrued depreciation.....	51,000,000	
	379,000,000	.71
Sleeping car property.....	253,000,000	
Less accrued depreciation.....	162,000,000	
	91,000,000	.17
Express companies.....	43,000,000	
Less accrued depreciation.....	26,000,000	
	17,000,000	.03
Total for rail.....	24,085,000,000	45.25
Highways and highway vehicles:		
Passenger automobiles:		
Estimated depreciated value of vehicles.....	5,334,000,000	
One-half assigned to intercity use <sup>1</sup> .....	2,667,000,000	5.01
Motor trucks:		
Estimated depreciated value.....	1,021,000,000	
One-half assigned to intercity use (182 I. C. C. 400).....	510,000,000	.96
Motorbuses:		
Investment in plant and equipment.....	531,000,000	
48 percent assigned to intercity use <sup>2</sup> .....	255,000,000	.48
Highway cost, not including city streets <sup>3</sup> .....	20,800,000,000	39.09
Total for highway.....	24,232,000,000	45.54
Water-line investment <sup>4</sup> .....	3,782,000,000	7.11
Airways (airports and airplanes) <sup>5</sup> .....	171,000,000	.32
Oil pipe-line carrier property <sup>6</sup> .....	945,000,000	1.78
Grand total.....	53,215,000,000	100.00

<sup>1</sup> Depreciated value per vehicle applied to number registered. The Passenger Traffic Report of the Federal Coordinator of Transportation, p. 112, shows 51.7 percent of private passenger-miles to have been intercity in 1933.

<sup>2</sup> Bus Facts, 1933, p. 4.

<sup>3</sup> Research Section of Federal Coordinator of Transportation.

<sup>4</sup> Census of 1916 adjusted to date.

<sup>5</sup> Bureau of Air Commerce, Department of Commerce.

<sup>6</sup> I. C. C. reports taken as 85 percent of total.

In this set-up, take the steam railroads: Private investment is twenty-six billions less accrued depreciation, three billions, bringing it down to about twenty-three and one-half billion dollars, and then you add in the net of the express companies, the Pullman Co., the electric railways, and you get a little over twenty-four billions book investment, less depreciation, or about 45 percent of the total—all private capital, private investment.

Then you have an investment of public funds in the waterways of about \$3,800,000,000, and in the pipe lines an investment of private capital of about \$945,000,000.

Then, there is the highway set-up, the public investment of some twenty billions in the highways themselves; then private investments in the facilities on the highways: The private passenger cars, intercity, about two and one-half billions, less depreciation, and the various motor vehicles, allowing half of them for intercity and half for urban, you get for the intercity, plus the public investment in the highways, an investment in interstate transportation by highway of something over \$24,000,000,000, or a shade above 45 percent.

You have a grand total for all transportation of about \$53,000,000,000; some estimates have run as high as sixty-five billions—some authorities think it is that much, and if you put in the city streets it would run, they believe, to eighty-five billions—but taking a conservative estimate of the intercity highway-transportation set-up it appears to be above fifty billions and something like thirty billions of that is private capital and about twenty-three billions public investment.

I am sure the operating expense and taxes of all our transportation agencies is likewise important. Dr. Splawn presented a most interesting analysis along this line, and I insert it herewith (p. 27 of the hearings):

The importance of transportation agencies in the United States as economic factors is shown by the fact that in 1937 they charged

or paid for expenses, depreciation, and taxes over \$22,000,000,000, as detailed by the following table:

*Operating expenses and taxes of transportation agencies<sup>1</sup>*

Item	Amount	1937
Rail operations <sup>2</sup> .....	\$4,397,000,000	Percent 19.77
Highway operations:		
Highway motortrucks, common and contract.....	708,000,000	3.18
Private trucks, not for hire.....	3,830,000,000	17.22
Privately owned automobiles.....	11,477,000,000	51.59
All other highway.....	678,000,000	3.05
Total highway.....	16,693,000,000	75.04
Waterway operations.....	971,000,000	4.36
Airways.....	46,000,000	.21
Pipe lines (fuel and gasoline).....	138,000,000	.62
Total.....	22,245,000,000	100.00

<sup>1</sup> Fifty-second Annual Report of the Interstate Commerce Commission, p. 33.

<sup>2</sup> Includes interurban and urban electric railways and bus operations associated therewith.

The above includes the activities of motor vehicles in cities. If the table were recast by confining it to intercity operations, the relative importance of railways would be increased.

I realize that data similar to that being introduced by me and pertaining to railroads is not available as to other forms of transportation, but it should be and is gradually becoming more and more accessible to us, they seeking the protection of regulation. As railroads are, as many claim, the major consideration in this matter, a review of railway finances, in part, is of intense interest and most convincing in the formation of an opinion as to whether anything on the subject of legislation along the lines proposed is needed. In other words, from a financial standpoint are the railroads in need of something being done at our hands? I quote from pages 28 and 29 of the hearings before our committee, volume 1.

**REVIEW OF RAILWAY FINANCES**

The capitalization of all the railways is a complicated system of wheels within wheels. If one wishes to view them as one system with all intercorporate holdings eliminated, it appears that the net capitalization on December 31, 1937, was \$18,319,000,000, of which \$7,069,000,000 was stock and \$11,250,000,000 unmatured funded debt. These totals exclude \$3,045,000,000 of stock and \$2,759,000,000 of funded debt held by some railway companies as investments or as a means of controlling their subsidiaries.

The class I line-haul companies collect over 96 percent of the total steam-railway revenues. The par value of their stock on December 31, 1937, was \$3,123,000,000. Their funded debt was \$10,150,000,000, mostly mortgage bonds. The equipment obligations amounted to \$549,724,000. The sum of the stock and debt was \$18,273,000,000 of which the debt was 55.5 percent. Their total corporate surplus was reported as \$3,126,000,000, but this, of course, was not available in cash. It is mostly invested in the railway property.

*Income account, class I steam railways*

Item	12 months ended with October 1938	Calendar year 1937
Net railway operating income.....	\$332,000,000	\$590,000,000
Other income (largely from investments).....	170,000,000	179,000,000
Total income.....	502,000,000	769,000,000
Miscellaneous deductions.....	28,000,000	25,000,000
Income available for fixed charges.....	474,000,000	744,000,000
Fixed charges:		
Rent for leased roads.....	134,000,000	157,000,000
Interest.....	478,000,000	473,000,000
Other.....	3,000,000	3,000,000
Total.....	615,000,000	633,000,000
Income after fixed charges.....	141,000,000	111,000,000
Interest charges contingent on income.....	12,000,000	12,000,000
Net income.....	153,000,000	99,000,000

<sup>1</sup> Deficit.

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The shrinkage in net income since 1929 is striking:

*Net income*

District	12 months ended with October 1938	1937	1936
Eastern district.....	\$94,034,000	\$41,359,000	\$78,701,000
Southern district:			
Pocahontas region.....	47,902,000	74,655,000	83,983,000
Southern region.....	12,799,000	6,601,000	10,744,000
Western district.....	94,256,000	24,088,000	8,798,000
Total.....	153,237,000	98,527,000	164,630,000

I like to think in terms of the national picture dealing with this problem; what we need for the advancement of this Nation in peacetimes as well as war. In doing so it must be admitted that our railway lines are almost totally indispensable to the needs of our Nation at all times and especially as a medium of national defense. The same is true of our highways and waterways, but at this time the known financial condition of our railway carriers is distressing and we have reason to believe that the financial condition of other carriers, if the true facts were known, might be comparable. In other words, we are face to face, as has been stated, with a demand on the part of capital, labor, our great insurance and savings banks where so much is invested in the transportation agencies of this country, to do something in order that the \$50,000,000,000 set-up that the transportation agencies present today might be conserved. I am opposed to Government ownership, but I am willing to predict the inevitable that if we do not, as statesmen and not as Congressmen looking selfishly to the problems of our individual districts, legislate and legislate promptly on this subject, that the railroad systems of this Nation will be taken over lock, stock, and barrel as an agency of the Federal Government. Imagine what this means. Think of the mileage, capitalization, and all of the ramifying problems associated with such an activity. Just a casual glance at the following table taken from our hearings will, I hope, cause you to immediately rebel against any move that might lead toward the future operation of our railroads by the Federal Government in peacetimes:

*Mileage, capitalization, net income or deficit, and dividend appropriations of large steam railways*

Name of railway	Miles of road operated at close of November 1938	Capitalization <sup>1</sup>	Net income or deficit, 11 months ended with November 1938	Dividend appropriations, 11 months ended with November 1938
Alton R. R.....	957	\$79,198,590	<sup>2</sup> \$1,485,172	-----
Atchison, Topeka & Santa Fe Ry. system <sup>3</sup> .....	13,500	689,749,836	6,208,907	\$1,241,728
Atlantic Coast Line R. R.....	5,103	235,697,330	<sup>2</sup> 1,284,351	9,836
Baltimore & Ohio R. R.....	6,427	982,970,378	<sup>2</sup> 12,891,991	-----
Boston & Maine R. R.....	1,955	223,185,158	<sup>2</sup> 4,844,323	-----
Central of Georgia Ry. <sup>4</sup> .....	1,927	81,132,735	<sup>2</sup> 2,768,365	-----
Central R. R. of New Jersey.....	712	77,774,351	<sup>2</sup> 3,786,624	-----
Chesapeake & Ohio Ry.....	3,102	442,074,990	19,115,024	14,009,724
Chicago & Eastern Illinois Ry. <sup>5</sup> .....	927	81,125,436	<sup>2</sup> 1,451,801	-----
Chicago & North Western Ry. <sup>5</sup> .....	8,397	517,948,545	<sup>2</sup> 14,442,585	-----
Chicago, Burlington & Quincy R. R.....	8,949	404,606,300	2,699,847	-----
Chicago Great Western R. R. <sup>5</sup> .....	1,505	133,887,193	<sup>2</sup> 1,151,494	-----
Chicago, Milwaukee, St. Paul & Pacific R. R. <sup>5</sup> .....	10,949	705,539,708	<sup>2</sup> 17,177,410	-----
Chicago, Rock Island & Pacific Ry. <sup>5</sup> .....	7,355	417,208,943	<sup>2</sup> 10,930,762	-----
Chicago, St. Paul, Minneapolis & Omaha Ry.....	1,629	78,501,567	<sup>2</sup> 2,507,419	-----
Delaware & Hudson R. R.....	831	103,971,898	<sup>2</sup> 439,649	-----
Delaware, Lackawanna & Western R. R.....	986	88,822,447	<sup>2</sup> 3,777,219	-----

<sup>1</sup> Capital stock and long-term debt, including matured funded debt unpaid, as of Dec. 31, 1937.

<sup>2</sup> Deficit.

<sup>3</sup> Includes Atchison, Topeka & Santa Fe Ry., Gulf, Colorado & Santa Fe Ry., and Panhandle & Santa Fe Ry.

<sup>4</sup> Report of receiver or receivers.

<sup>5</sup> Report of trustee or trustees.



Mileage, capitalization, net income or deficit, and dividend appropriations of large steam railways—Continued

Name of railway	Miles of road operated at close of November 1938	Capitalization	Net income or deficit, 11 months, ended with November 1938	Dividend appropriations, 11 months, ended with November 1938
Denver & Rio Grande Western R. R. <sup>1</sup>	2,563	205,771,340	<sup>2</sup> 5,420,448	—
Elgin, Joliet & Eastern Ry.	435	23,400,067	<sup>2</sup> 14,819	—
Eric R. R. (including Chicago & Erie R. R.) <sup>3</sup>	2,292	\$486,344,487	<sup>3</sup> \$10,287,804	—
Grand Trunk Western R. R.	1,032	125,678,420	<sup>4</sup> 4,960,996	—
Great Northern Ry.	8,072	586,753,064	207,993	—
Illinois Central R. R.	4,951	514,678,610	591,898	—
Lehigh Valley R. R.	1,286	162,138,863	<sup>3</sup> 3,587,874	—
Long Island R. R.	394	108,037,418	<sup>2</sup> 1,595,265	—
Louisville & Nashville R. R.	4,938	344,699,655	2,347,882	\$4,080,000
Minneapolis, St. Paul & Sault Ste. Marie Ry. <sup>3</sup>	4,290	170,045,744	<sup>2</sup> 6,047,829	—
Missouri-Kansas-Texas Lines	3,294	243,780,104	<sup>2</sup> 3,590,346	—
Missouri Pacific R. R. <sup>3</sup>	7,173	562,031,522	<sup>2</sup> 13,970,844	—
New York Central R. R.	11,077	1,258,640,073	<sup>2</sup> 20,413,440	—
New York, Chicago & St. Louis R. R.	1,704	229,906,510	<sup>2</sup> 1,351,223	—
New York, New Haven & Hartford R. R. <sup>3</sup>	1,877	465,126,107	<sup>2</sup> 11,538,268	—
Norfolk & Western Ry.	2,191	215,780,132	<sup>2</sup> 17,831,213	14,752,485
Northern Pacific Ry.	6,721	566,376,500	<sup>2</sup> 7,345,649	—
Pennsylvania R. R.	10,303	1,357,860,875	8,313,981	6,035,221
Pere Marquette Ry.	2,115	140,468,000	<sup>2</sup> 2,336,706	—
Pittsburgh & Lake Erie R. R.	233	43,244,185	1,518,651	1,511,388
Reading Co.	1,450	266,857,884	<sup>2</sup> 2,563,327	4,198,256
St. Louis-San Francisco Ry. <sup>3</sup>	4,843	391,776,739	<sup>2</sup> 10,823,331	—
St. Louis Southwestern Lines <sup>3</sup>	1,701	91,042,135	<sup>2</sup> 1,171,466	—
Seaboard Air Line Ry. <sup>4</sup>	4,318	267,379,428	<sup>2</sup> 7,271,701	—
Southern Ry.	6,602	409,240,598	<sup>2</sup> 2,116,423	—
Southern Pacific Transportation System <sup>1</sup>	13,111	1,084,874,283	<sup>2</sup> 7,267,977	—
Texas & Pacific Ry.	1,936	142,799,870	1,165,342	—
Union Pacific R. R. (including leased lines)	9,903	682,342,373	14,799,063	17,319,184
Wabash Ry. <sup>4</sup>	2,410	280,430,687	<sup>2</sup> 5,927,023	—
Yazoo & Mississippi Valley R. R.	1,619	68,853,466	( <sup>5</sup> )	—
All other class I steam railways	34,119	2,720,190,861	<sup>2</sup> 16,361,595	10,894,299
Total all class I steam railways	234,167	19,627,065,405	<sup>2</sup> 145,277,964	74,652,121

<sup>1</sup> Deficit

<sup>2</sup> Report of receiver or receivers.

<sup>3</sup> Report of trustee or trustees.

<sup>4</sup> Under trusteeship, Erie R. R. only.

<sup>5</sup> Includes Southern Pacific Co., Texas & New Orleans R. R., and leased lines.

<sup>6</sup> Net income (or deficit) was absorbed by the controlling company.

It is not possible, we discovered, to present to you how many of our water carriers and motor carriers are operating in the red, but we do have very accurately the shocking and distressing situation that faces our great railway systems. This table illustrates very definitely their difficulties. Page 39:

[Source: Interstate Commerce Commission, Bureau of Statistics, Washington, D. C., September 1938]

STEAM RAILWAYS IN THE HANDS OF RECEIVERS AND TRUSTEES ON DECEMBER 31, 1937, AND CHANGES IN THE LIST OF COMPANIES AFFECTED BY RECEIVERSHIP OR TRUSTEESHIP TO JULY 31, 1938

STATEMENT NO. 3846, FILE 52-A-2 (11 PAGES)

Steam railways in the hands of receivers and trustees (excluding switching and terminal companies)

Item	July 31, 1938 <sup>1</sup>	Dec. 31, 1937	Dec. 31, 1936
In charge of receivers:			
Number of class I railways	11	10	11
Number of other railways	30	32	34
In charge of trustees:			
Number of class I railways	28	25	22
Number of other railways	42	42	24
Total in charge of receivers or trustees:			
Number of class I railways	39	35	33
Number of other railways	72	74	58
Total	111	109	91
Miles of road:			
Owned	70,489	65,618	64,878
Operated	78,016	70,884	69,712
Investment in road and equipment		\$5,258,419,403	\$5,086,950,852
Capital stock		\$1,987,788,923	\$1,879,562,202

<sup>1</sup> Miles of road are as of the close of the year 1937. Items omitted are not available.

Steam railways in the hands of receivers and trustees (excluding switching and terminal companies)—Continued

Item	July 31, 1938	Dec. 31, 1937	Dec. 31, 1936
Unmatured funded debt		\$2,810,040,163	\$2,757,139,657
Receiver's and trustee's certificates		\$70,638,936	\$70,478,797
Nonnegotiable debt to affiliated companies		\$141,465,372	\$121,631,701
Matured funded debt		\$526,235,553	\$529,697,016
Percent of all steam railways:			
Miles of road operated		28.15	27.57
Investment in road and equipment		20.51	19.93
Capital stock		19.84	18.34
Unmatured funded debt		23.01	22.30

You will find in the hearings, volume 1, pages 40, 41, 42, and 43, a break-down in detail of the various roads in the hands of the receiver and trustee as of December 31, 1937; and as those exhibits are most too lengthy to insert as a part of my remarks, I do call them to the attention of the Members because of the interesting data they contain.

Mr. Chairman—possibly I should say Mr. Speaker, for the distinguished Speaker of the House honors us at this time with his presence—this is a tremendous problem. For the first time in the number of years I have been a Member of Congress we see a great business set-up, one of the giant industries of this country, coming hand in hand with the labor it employs in happy agreement recommending their idea as to the solution of their problems. Upon consideration by your committee, with two exceptions—two gentlemen for whom I have the highest regard, the gentleman from New York [Mr. WADSWORTH], who made the same speech in substance yesterday, I think, as he made when the truck legislation was on the floor, and the gentleman from Texas [Mr. SOUTH], who is looking out for the interests of his section as he sees them—the balance of this committee, after intensive study, coming not from railroad men but men having possibly more water than railroads and motor transportation in their districts, recommend its passage. It has been a hard job. We are now rewarded with the wholehearted and enthusiastic endorsement of the President of the United States and many others. We now submit to you with confidence and satisfaction that after a very short period of operation under its provisions it will go down upon the records of big and worthwhile accomplishments by a Congress willing to look at our great transportation agency from a broad national viewpoint and not from what the interests of a local district here and there might present. [Applause.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I yield 2 minutes to the gentleman from Tennessee [Mr. TAYLOR] for the purpose of asking a question of the chairman of the committee.

Mr. TAYLOR of Tennessee. Mr. Chairman, I am very much interested in the subject treated by this measure and I expect to vote for the bill, but there are one or two questions I would like to ask the chairman of the committee, and the first one is this: Will he point out to me for my own information in what respect this bill provides better facilities for mergers and consolidations than is provided by existing law?

Mr. LEA. The present law, as the gentleman is perhaps aware, requires that the Commission itself must devise the plan and present it to the railroads subject to their approval. The original scheme involved the idea of the Commission's dividing the country into about 15 sections and providing for consolidations in each of these general groups. This bill discards that and permits the railroad companies to present their own plans for consolidation subject to approval, rejection, or approval with modifications by the Commission. The Commission may require a showing that it is in the public interest as a condition on which it gives its approval.

Mr. TAYLOR of Tennessee. The other question is this: Under existing law as I understand it, when the Commission arrives at certain specified findings they may order a merger

or consolidation; but the pending bill, as stated, in line 15, on page 208, instead of giving the Commission discretion in this matter makes it mandatory that they shall order the consolidation. Why is the Commission denied discretion in matters of this kind?

Mr. LEA. Mr. Chairman, I yield the gentleman 1 additional minute. You will notice line 10 provides that "if the Commission finds, subject to such terms and conditions and such modifications as it shall find to be just and reasonable," and so forth, "will be consistent with the public interest, it shall enter an order approving and authorizing such consolidation" and, if you go over to page 209 you will find there are four considerations, including the proper consideration for the carrier employees before they approve and before they can make this finding. So that the Commission has a very broad discretion. It is not compelled to do anything, even though the word "shall" is used there, unless it first finds that it is in the public interest.

Mr. TAYLOR of Tennessee. I thank the gentleman for his explanation.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. BULWINKLE].

Mr. BULWINKLE. Mr. Chairman, in the time allotted me I wish in the first place to answer some of my colleagues who oppose this bill and who make the statement that there was haste used in its consideration and presentation here. They say that it is being jammed down the throats of the Congress.

The first bill was introduced in January. There were 10 weeks of hearings by the House committee, at which 20 or more witnesses representing the waterways appeared, in which Members of Congress came before the committee and then after an additional time the subcommittee of which I was a member had three committee prints made of a bill in order that we could draft as good a bill as possible. We submitted those committee prints to the various interested parties. Each and every member of the subcommittee listened patiently to the railroads, water lines, motor lines, forwarding companies, express companies, and so forth. There was not the slightest attempt by anyone to jam this down the throat of any person.

Who, pray you, started all this anyhow? We hear it is the railroads, that they are pulling the wool over our eyes, that they are covering our heads and that we are railroad-minded. If it be that I am interested in a great industry like this, one which has largely brought the country to its present industrial growth, and has helped to make of it a great Nation in which over a million men are employed, and that by being interested in such industry which is the very life blood of the Nation, I am railroad-minded, then I am proud to admit I am railroad-minded.

Who started this, I ask you? A year ago the President of the United States sent a message to the Congress asking it to consider the question of the regulation of all these transportation agencies in one agency. Pray, tell me was he, the President, railroad-minded? Did he have the wool pulled over his eyes? Nothing was done in the last Congress. In September the President appointed a committee consisting of three railway executives and three executives of railway labor organizations. They filed a report. But before this the President had appointed a committee of three from the Interstate Commerce Commission who likewise made a report to the President. When Congress convened the Interstate and Foreign Commerce Committee took the matter up and we held hearings. Before I forget it, may I say that we have heard how the great Secretary of Agriculture, how the Secretary of War, and how the admiral in charge of the merchant marine and other gentlemen connected with the Government are opposed to this measure; but not one word on this floor have I heard about the President of the United States favoring the bill. So I want to tell you how the President stands now.

Here is an Associated Press dispatch from New York issued last night:

#### ROOSEVELT ASSURES LABOR HE'S FOR IT

HYDE PARK, N. Y., July 21.—Representatives of railway labor and management have been informed that President Roosevelt wants House action on a bill for regulation of railway, water, and highway transportation.

The President said at a press conference today he had so advised E. E. Norris, president of the Southern, and B. M. Jewel, head of the railway employees department of the A. F. of L., at a White House conference in Washington yesterday. Norris and Jewel are members of a Committee of Six which drafted for the President recommendations for aiding the railways.

Mr. Roosevelt said he did that on two grounds:

That a year ago he thought something ought to be done, and he recommended that Congress act. Congress has been in session 6½ months and has done nothing to help the railroads.

Action would be absolutely in line with what he had been advocating for years—getting all forms of transportation coordinated so that wholly separate Government agencies would not be running transportation policies.

I want to hear something more now about what Secretary Wallace says. The Chief Executive has asked the Congress to pass the pending bill.

Let us see what is said in opposition to the measure. They do not like what has been placed in there about bridges. The gentleman from Texas [Mr. MANSFIELD] said he knew of only one such bridge. I could name other instances in Texas, California, right here on the Potomac River in the District of Columbia, in Alabama and other States of the Union. It is only fair and just that where a railroad company has built a bridge over a navigable stream and has had it there for years, put there under the direction of the Secretary of War, put there by authority of the Congress, and by the expenditure of their own money, if they be required, in order to help navigation on the river, to change the bridge, there should be an apportionment of the cost between the railroad and the Government. That is fair. That is just. I know that every Member of this House will approve that.

We heard a lot said about southern freight differentials. My good friend from Texas said that we threw a sop in there. Let us see what that sop is. I would hate to call BOB RAMSPECK's bill a sop, because before the committee some 35 or 40 southern men appeared. What did they ask for? They said they did not want any law enacted because they knew that the Congress could not engage in the rate-making power itself. They stated further there was sufficient law now, and the only thing that should be done was to jog up the Interstate Commerce Commission.

Mr. SOUTH. Will the gentleman yield?

Mr. BULWINKLE. Mr. Chairman, it has always been the custom for one member of the committee to yield to another one. The gentleman did not yield to me yesterday, but I will yield to him now and let him ask me any question he wishes to ask.

Mr. SOUTH. I thank the gentleman and apologize to him for not yielding yesterday. It was because I had such a short time and needed it very badly.

May I ask the gentleman if anyone said that the investigation which this bill proposes should be limited to manufactured goods, and if this bill does not limit the investigation which the Interstate Commerce Commission is to make to manufactured goods? I also ask the gentleman if it is not a fact that most of the goods shipped from our section of the country are raw materials?

Mr. BULWINKLE. Now, I will answer the gentleman. That is the Ramspeck bill verbatim, which I had the subcommittee put in this bill.

Mr. SOUTH. The gentleman is talking about the witnesses, not the Ramspeck bill.

Mr. BULWINKLE. I am talking about the Ramspeck bill, the one that the gentleman from Georgia [Mr. RAMSPECK] asked for, and the one that every member of that so-called committee that met on southern freight differentials asked for.



Mr. HALLECK. Mr. Chairman, will the gentleman yield?  
Mr. BULWINKLE. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman heard the testimony to which he has just referred. Is it not a fair statement to say that the investigation those people wanted made has particular reference to manufactured goods and the transportation of manufactured goods?

Mr. SOUTH rose.

Mr. BULWINKLE. I am not going to yield any more. I will answer that question.

Yes; because in the South we have commodity rates on our products such as cotton, fruits, and vegetables, and lumber that are as cheap if not cheaper than similar rates in any other section of the country today, and this fact cannot be disputed.

Mr. Chairman, I want to bring other matters to your attention that were said in regard to this subject, not only the question of the southern freight differentials, because I know and every man here knows that the Interstate Commerce Commission is fair and just. I wish to call to the attention of you southerners that on the Commission today there are three men from the South. There are two from Alabama, and there is Dr. Splawn, from Texas. Dr. Splawn came before the committee asking for this in simple justice in order that this bill should represent a national transportation policy.

We are Members of Congress. We men must rise above our little localities and remember that we are legislating for great industries the entire Nation over, and not just a few communities in the United States.

Now speaking in general terms about the bill, I call to your attention that for a number of years now the thoughtful American citizen has seen the necessity for a national transportation policy. The bill now for consideration before the House of Representatives, the Lea substitute for S. 2009, provides for this national transportation policy in its declaration of policies. I quote:

#### NATIONAL TRANSPORTATION POLICY

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions;—all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense.

In 1932 a committee comprising former President Coolidge as chairman, Bernard M. Baruch as vice chairman, former Governor Alfred E. Smith, Alexander Legge, Clarke Howell, and John W. Powers, who acted as secretary, and known as the National Transportation Committee, met, organized, and thereafter met to investigate and consider what should be done as effecting the national transportation policy of the Government. The report of the committee was far reaching in its scope, and I read to you the first part of the report, quote:

The railroad system must be preserved. Changed conditions require new policies but not abandonment of railroad regulations.

Among other things, the committee was examining and reported on the question of competition from water carriers, motor carriers, and airplanes. The entire report would be well worth the study of every Member of Congress for it must be realized that we as legislators under the changing conditions in the last quarter of a century have to do and look at the situation from a national standpoint. The one trouble, and it is no small matter, has been that time and time again the Congress as well as State legislators have never gone beyond the vision of their own locality.

President Roosevelt has sent frequent messages to Congress in regard to the situation, and in the fall of 1938 the President appointed a special committee consisting of three railway executives, namely: Mr. Clemment, Mr. Gray, and Mr. Norris; and three representatives of the railway labor who were, namely: Mr. Harrison, Mr. Jawell, and Mr. Robertson, to study this question and to make a report to the President. This they did, and this report is also well worth the reading by every Member of Congress who desires to study this question from a national standpoint and in the interest of all the people in the United States.

Prior to this, there was also another committee appointed from the Interstate Commerce Commission, known as the Splawn Committee, and the committee made an excellent report with many recommendations for the consideration of Congress; and likewise, do I advise the reading of this report. At the beginning of this Seventy-sixth Congress, the Committee on Interstate and Foreign Commerce of the House gave consideration to this question and after extended hearings and after very lengthy discussions before a subcommittee, as well as the consideration of the Representatives on the subcommittee, by the full committee which lasted several weeks or more, the Lea substitute was finally reported to the House and this substitute provides in its entirety for amendments to the existing Interstate Commerce Act, a new title regulating water carriers, and a miscellaneous title providing for the construction of bridges over navigable rivers; second, the repeal of the land grant act provision; and third, amendments to the Reconstruction Finance Corporation Act; but in order that it may be brought to your attention I shall state to you a short analysis of its provisions in the law as is shown in the report:

#### TITLE I. AMENDMENTS TO EXISTING LAW

##### SECTION 1. SHORT TITLE; NATIONAL TRANSPORTATION POLICY

This section contains a declaration of national policy with respect to all modes of transportation subject to the provisions of the Interstate Commerce Act. In this declaration, for the first time, there is a statement of a policy which includes all forms of transportation made subject to that act.

##### SECTION 2. REGULATION OF FORWARDING CARRIERS

This section makes forwarding companies subject to part I of the Interstate Commerce Act and defines such carriers as persons which in undertaking to transport property for compensation employ other transportation agencies for the transport services. Such companies are made subject to regulation as forwarding carriers except with respect to transport operations which they perform as common or contract carriers otherwise subject to the act.

##### SECTION 3. THROUGH ROUTES

This amends section 1 (4) of the present act so as to make it the duty of carriers by railroad to establish through routes and reasonable rates with common carriers by water. The duty in respect of through routes between carriers by railroad is not changed.

##### SECTION 4. TRANSPORTATION FREE OR AT REDUCED RATES

This section amends the free-pass and free-transportation provision of the present act, section 1 (7), so as to permit the railroads to grant free transportation to executives, general chairmen, and counsel of employee organizations designated to represent employees under the Railway Labor Act.

It amends section 22 (1) of the act so as to permit railroads and other carriers to enter into contracts with the United States Government for the transportation of persons for the Government at free or at reduced rates. It also amends the same section so as to permit the free transportation of the household goods and other personal effects of employees when such effects must be moved as the result of change in the place of employment of such employees.

##### SECTION 5. CAR SERVICE

Section 5 amends section 1 (14) of the act so as to make it clear that the Commission's jurisdiction with respect to car service and the compensation to be paid for the use of any car not owned by the carrier using it includes a car of private as well as of carrier ownership.

##### SECTION 6. UNDUE PREFERENCE OR ADVANTAGE; INVESTIGATION BY COMMISSION; LIABILITY OF BENEFICIAL OWNER AND SHIPPER; FACILITIES FOR INTERCHANGE OF TRAFFIC

This section amends section 3 of the act in three respects: (1) It adds to paragraph (1) the words "region, district, territory" to the list of places to which a railroad may not give any undue preference or advantage, or subject to undue prejudice or disadvantage; (2) a new paragraph is added after paragraph (3) to relieve a shipper or consignor of a shipment of property, under specified conditions, from liability for transportation charges, and

imposing such liability upon the party to whom delivery is made, if such party is the beneficial owner; and (3) it amends paragraph (3), which prohibits railroads from discriminating against connecting lines, by renumbering such paragraph as (4) and by including all common carriers by water subject to new part III (which regulates water carriers) as well as carriers by railroad.

Section 6 also includes a direction to the Commission to institute an investigation into the rates on manufactured products between points in one classification territory and points in another such territory and into like rates within any such territory maintained by common carriers by rail or water subject to part I of the act to determine whether any unlawfulness exists in such rates per se or in their relation to each other. Such investigation may be confined in the discretion of the Commission to such manufactured products as shippers thereof may specifically request to be included in the investigation.

#### SECTION 7. REPEAL OF PROVISIONS RELATING TO RAISING RATES REDUCED TO MEET WATER COMPETITION

This section repeals section 4 (2) of the act, which declares that when a railroad carrier, in competition with a water route, reduces rates on any species of freight to or from competitive points it shall not be permitted to increase such rates unless the Commission finds such increase rests upon changed conditions other than elimination of water competition.

This provision was considered to be no longer necessary in view of the increased jurisdiction of the Commission over rail and water carriers, and in view of certain decisions by the Supreme Court of the United States which had greatly lessened the application of this section as a deterrent in the matters the section was designed to reach.

#### SECTION 8. POOLING—CONSOLIDATIONS, MERGER, AND ACQUISITIONS OF CONTROL IN CASE OF CARRIERS BY RAILROAD, MOTOR VEHICLE, AND WATER

Section 8 amends section 5 of the present act—

First. By including in the pooling provision carriers by motor vehicle and water carriers. The present section deals only with agreements between carriers for the pooling of freight traffic and earnings of different and competing railroads. No change is made with respect to the findings that must be made by the Commission in each case as to the probable effect of such a pooling arrangement upon service, operation, and competition. The assent of all carriers involved must be obtained as provided in the present law.

Second. By repealing the provisions of existing law requiring the Commission to prepare and adopt a general consolidation plan.

Third. By including in one section all the provisions of the Interstate Commerce Act with respect to consolidations, mergers, and acquisitions of control of all types of carriers. In addition to rail carriers and motor carriers, heretofore included under the old section 5 and section 213, water carriers are included, and express companies and forwarding companies are included for the first time. Section 213 is repealed. Certain special provisions therefrom are retained and included in the amended section 5.

Fourth. Three additional paragraphs are added to renumbered paragraph (2)—corresponding to paragraph (4) of present section—these additional paragraphs direct the Commission to give weight to the following considerations when passing upon any proposed transaction: (1) The effect upon adequate transportation service; (2) effect upon the public interest of the inclusion or failure to include other railroads in the territory involved; (3) the total fixed charges; and (4) the interest of the carrier employees affected. In respect of employees the Commission is directed to require as a prerequisite to its approval of any proposed transaction under this section "a fair and equitable arrangement to protect the interests of the employees affected." The Commission is also instructed not to approve any consolidation, merger, purchase, and so forth, which contemplates a guaranty of dividends except upon a specific finding that such guaranty is not inconsistent with the public interest. A specific finding must also be made with respect to an increase of total fixed charges on funded debt, that such increase in a particular case would not be contrary to the public interest.

#### SECTION 9. REPEAL OF POWER TO FIX CERTAIN THROUGH ROUTES AND JOINT RATES

Section 9 repeals subparagraph (b) of paragraph (13) of section 6. That subparagraph as now in effect limits the Commission's jurisdiction with respect to the establishment of through routes and joint rates by rail and water by providing that the Commission may prescribe only the maximum joint rate that may be charged. The bill gives the Commission full authority over rates by water carriers including authority to prescribe both the minimum and the maximum joint rail and water rates. It was necessary to repeal the subparagraph in paragraph (13) of section 6 which limits the authority as aforesaid.

#### SECTION 10. EXPENSES OF STATE COMMISSIONERS; COOPERATION WITH STATE AUTHORITIES

Section 10 adds to paragraph (2) of section 13 of the act an additional provision which directs that representatives of State commissions sitting with the Interstate Commerce Commission, under the provisions of that section, in cases pending before the Commission shall receive such allowances for travel and subsistence expenses as the Commission shall provide.

Paragraph (3) of section 13 is amended by providing for cooperation between the Commission and State authorities in matters arising under new part III of the act, relating to water carriers as well as in matters arising under part I.

#### SECTION 11. AMENDMENTS TO SECTION 15

Section 11 amends section 15 of the act by striking out in paragraphs (1) and (3) the provisions which restrict the Commission to the prescription of maximum rates over rail and water routes. This repeal is necessary inasmuch as new part III gives the Commission authority over minimum rail-water rates as well as over maximum rates.

#### SECTION 12. AMENDMENTS TO SECTION 16

Section 12 amends section 16 of the act by reducing from 3 years to 2 years the period within which actions at law by carriers subject to part I may be begun for recovery of their charges and making the same change with respect to actions by shippers against carriers for recovery of overcharges. No change is made in the present 2-year period of limitation for the filing of complaints by shippers against carriers for recovery of damages not based on overcharges.

#### SECTION 13. COMMISSION PROCEDURE; DELEGATION OF DUTIES; REHEARINGS

Section 13 amends provisions dealing with procedure before the Commission and with the methods of carrying on the work of the Commission now in sections 16a, 17, 204 (e), and 205 (a). The purpose of the change is to include so far as possible all such general provisions in one section.

Section 16a, which provides for rehearings by the Commission, is repealed and the matter therein is incorporated in amended section 17. This change results in a more logical and orderly arrangement.

Section 17 is amended in several important respects:

First. The Commission may as now create divisions of its members and in addition designate one or more divisions of its members as appellate division.

Second. The assignment or reference to divisions of any work or functions relating to rates, fares, or charges shall be made according to the character of the regulation to be exercised and not according to the kind or classes of carriers, or form of transportation in which such carriers are engaged. This is intended to prevent the establishment of divisions to deal exclusively with a particular class of carriers.

The Commission may also assign any of its work or functions (except matters required to be referred to joint boards by pt. II) to an individual Commissioner, an examiner, or a board of examiners, with full power to act thereon. The prohibition upon such assignments in present section 17 in matters involving investigations upon the Commission's own motion, or (without consent of the parties) in contested proceedings involving public hearings, is repealed. Under section 17 in the existing law the Commission has authority to assign any of its work or functions (except as noted) to any employee or to a board composed of employees, as well as to individual Commissioners.

Third. Power to issue subpoenas is granted to examiners but this power may be exercised only as to the work or functions of the Commission which by order under this section is specifically assigned or referred. Where an examiner performs other duties he has no authority to issue subpoenas. The Commission may continue to assign duties to examiners, as it does now, to conduct hearings and to prepare and issue proposed reports and with respect to such duties he has no additional authority.

Fourth. Any finding, report, or requirement of an individual Commissioner, examiner, or board of examiners with respect to any matter assigned under this section, as to which a hearing is held, shall be accompanied by a statement in writing of the reasons therefor, together with a recommended order. This order if not excepted to by the parties or stayed by the Commission or a division, or otherwise postponed, becomes the order of the Commission and is effective as such after 20 days after service upon the interested parties. This is substantially the same as the procedure now provided for in section 205 (a) with respect to certain matters under part II, as to motor carriers, extended to apply to regulation of the other classes of carriers subject to the act.

Fifth. In view of the broadening of the authority to assign work or functions it is considered desirable to limit the class of employees to which such assignments may be made. The amended section therefore provides that assignments of work or functions of the Commission with power to act as the Commission itself or a division may act shall be made to an examiner or to a board composed of examiners in addition to such assignments to individual Commissioners.

Sixth. The rights of parties are protected by providing that upon exceptions to a recommended order of an individual Commissioner, examiner, or board, the Commission or a division, as the Commission may provide, shall reconsider the matter either upon the same record or after a further hearing. It is further provided that where such recommended order becomes the order of the Commission after a period of 20 days as specified in this section, if no exceptions are filed, an application for reconsideration or rehearing, if filed within 20 days after the recommended order has become effective shall be granted and the matter shall be reconsidered by the Commission or an appropriate division. If such application is filed after the expiration of said 20 days, the reconsideration may be granted in the discretion of the Commission for good cause shown. Litigants by



prompt application are thus assured as a matter of right of a reconsideration or rehearing by the Commission or a division of any so-called automatic or 20-day order resulting from a recommended order of an individual Commissioner, examiner, or board.

Application for rehearing of a decision, order, or requirement of a division shall be considered and acted upon by the Commission or referred to an appropriate division for consideration and action, but the Commission may by general rules or orders establish limitations upon the right to a rehearing of a decision, order, or requirement of the Commission or of a division so as to confine such right to proceedings or classes of proceedings, involving issues of general transportation importance. This is a change in the present law under which the entire Commission is required to consider and pass upon applications for reconsideration or rehearing of any decision, order, or requirement of the Commission or a division. The change in procedure will operate to expedite the work of the Commission while affording shippers, carriers, and other interested parties in any proceedings full consideration of matters before the regulation agency in accordance with the importance of such matters.

Seventh. A new paragraph is added at the end of section 17 providing that representatives of employees of a carrier may intervene and be heard in any proceedings arising under part I affecting such employees.

#### SECTION 14. SHORT TITLE FOR PART I

Section 14 amends section 27 of the Interstate Commerce Act by changing the present short title of part I of the Interstate Commerce Act.

#### SECTION 15. SHORT TITLE FOR PART II

Section 15 amends section 201 of the act by changing the present citation of part II from the "Motor Carrier Act, 1935," to "part II of the Interstate Commerce Act."

#### SECTION 16. REFERENCES TO POLICY DECLARED IN PART II

Section 16 repeals references in part II of the act to the declaration of policy in section 202 (a) and substitutes in lieu thereof the words "the national transportation policy declared in this act."

#### SECTION 17. REPEAL OF DECLARATION OF POLICY IN PART II

Section 17 amends section 202 of the act by repealing the declaration of policy in part II. The national transportation policy declared in section 1 of the bill applies to all forms of transportation included in parts I, II, and III, and makes it unnecessary to include separate declaration for each part.

#### SECTION 18. AMENDMENTS TO SECTION 203

Section 18 amends section 203 in part II of the act by changing the definitions of "common carrier by motor vehicle" and "contract carrier by motor vehicle."

Under the present definitions transportation of passengers or property "by a lease or any other arrangement" is included. This language is omitted from the definitions as rewritten. Its application is not clear. Presumably, it was intended to cover the case of a person who, though not performing service as a carrier, leased vehicles to another person to be used by such other person for his own purposes. Careful consideration was given to this question, but the committee decided that it was best to leave this or any similar language out of the definitions.

Motor vehicle operations of express companies will continue to be subject to regulation upon the same basis as under present law, notwithstanding certain changes in the language of these definitions.

The amended definitions provide that transportation by motor vehicle performed by carriers by railroad or by water of transfer collection, or delivery services, in terminal areas, shall be considered to be transportation subject to, and shall be regulated under, part I or part III, as the case may be, when such services are incidental transportation regulated by such parts. Performance within terminal areas of motor carrier transfer, collection or delivery services, for common carriers by railroad, motor vehicle, or water, or for express companies subject to part I, when performed by any person as an agent for such carriers, or under a contractual arrangement, is to be considered to be transportation by the common carrier for which it is performed, and regulated as such under parts I, II, or III, as the case may be. This provision, as contained in paragraph (14), is one of the exceptions referred to in the language in parentheses contained in paragraph (15).

#### SECTION 19. EXEMPTION OF CERTAIN INTERSTATE AND FOREIGN COMMERCE OPERATIONS OF MOTOR CARRIERS

Section 19 amends section 204 (a) of part II by adding a new subparagraph (4a). This authorizes the Commission to exempt from provisions of part II, as specified in the certificate of exemption, any motor carrier (or a group of such carriers) engaged in operation solely within a single State which also incidentally engages in transportation in interstate or foreign commerce within the State. The certificate shall be issued where the Commission finds that such transportation in interstate or foreign commerce is in fact of such nature, character, or quantity as not substantially to affect or impair uniform regulation by the Commission of transportation by motor carriers engaged in interstate or foreign commerce in effectuating the national transportation policy. The filing of an application for exemption under this subparagraph shall exempt the carrier from regulation under part II until final disposition has been made of the application, provided

that the application is accompanied by a certificate of the State board of the State in which the operations of the applicant are carried on stating that in the opinion of such board the carrier is entitled to exemption under this subparagraph.

#### SECTION 20. AMENDMENTS TO SECTIONS 204 AND 205

This section repeals subsection (e) of section 204 of part II. The substance of that paragraph which deals with application for rehearing, and so forth, has been incorporated in amended section 17 of part I. It also repeals subsection (a) of section 205 of part II, which deals with procedure in matters arising in the administration of such part. The substance of the subsection is incorporated in amended section 17 of part I.

#### SECTION 21. AMENDMENTS RELATING TO POWER OF THE COMMISSION TO LIMIT SCOPE OF MOTOR-CARRIER OPERATIONS

Section 21 amends subsection (a) of section 208 and subsection (b) of section 209 of part II. Those subsections authorize the Commission to impose conditions and limitations upon the operations of common and contract carriers by motor vehicle as the public convenience and necessity may require. The amendments provide that the Commission shall not impose any condition or limitation which shall prevent a motor carrier entitled to a certificate or permit on the basis of its operations on or prior to June 1, 1935, from transporting any commodity or class thereof which it transported, or from engaging in transportation from or to points to and from which it transported such commodity or class, on or prior to said date.

#### SECTION 22. REPEAL OF MOTOR-CARRIER PROVISIONS RELATING TO CONSOLIDATIONS, MERGERS, AND ACQUISITIONS OF CONTROL

This section repeals section 213 of part II, which deals with consolidations, mergers, and acquisitions of control of motor carriers. The substance of section 213 is incorporated in amended section 5 of part I, which deals with the same matters in connection with carriers by railroad, express companies, forwarding carriers, motor carriers, and water carriers.

#### SECTION 23. NEW SECTION ADDED TO PART II

Section 23 amends part II of the act by adding a new section, 213, providing that if an owner of property transported under such part renders any service connected with such transportation or furnishes any instrumentality used therein, the allowance therefor which may be made by the carrier shall be reasonable, and authorizes the Commission upon complaint or upon its own initiative, after a hearing, to determine the maximum amount of such allowance. This section is the same as section 15 (13) of part I.

#### SECTION 24. PUBLICATION OF INFORMATION CONTAINED IN CONTRACTS

Section 24 amends subsection (a) of section 218 of part II of the act, which relates to schedules of rates and contracts of carriage of contract carriers by motor vehicle. The subsection at present provides that such carriers shall file, at the request of the Commission, in lieu of schedules of minimum charges, copies of contracts containing their minimum charges. There are also provisions relating to publishing and keeping open for public inspection such schedules and copies of contracts. In order to clarify these provisions, the amendments to the section provide that such carriers shall not be required to publish copies of such contracts and keep them open for public inspection, but the Commission is empowered to make public the minimum rates or charges contained therein. The names of the persons for whom property is transported and other terms of the contracts shall not be made public by the Commission, but the Commission may make the contracts, or any part thereof, available as a part of the record in a formal proceeding where it considers such action consistent with the public interest.

#### SECTION 25. INVESTIGATION OF NEED FOR REGULATING SIZES AND WEIGHT OF MOTOR VEHICLES

Section 25 directs the Commission to expedite the investigation of the need for Federal regulation of the sizes and weight of motor vehicles, already authorized by section 225 of part II of the Interstate Commerce Act.

#### SECTION 26. REPEAL OF SECTION 3 (e) OF INLAND WATERWAYS CORPORATION ACT

Section 26 repeals subsection (e) of section 3 of the Inland Waterways Act of June 7, 1924, as amended (U. S. C., title 49, sec. 153 (e)). That subsection relates to certificates of public convenience and necessity obtained under the provisions of part I upon application by any person engaged or about to engage in common-carrier service by water on the Warrior, Mississippi, Columbia, Snake, Sacramento, San Joaquin, or Savannah Rivers, or tributaries. Such operations are included in the new part III of the Interstate Commerce Act and the procedure for obtaining certificates is provided for in that part.

Subsection (e) also provides that the Commission shall by order direct connecting common carriers and their connections to join with a common carrier by water possessing a certificate so issued, in through routes and joint rates, and that the Commission shall fix reasonable minimum differentials between all-rail rates and joint rates in connection with such water carrier to apply until changed by the Commission. Provision is made in section 307 (d) of new part III of the Interstate Commerce Act for the establishment by the Commission of through routes and joint rates by railroad and common carriers by water. Such section further provides that the Commission may prescribe such reasonable differentials, if any, as it may find justified between all-rail rates and joint rates in connection with a common carrier by water.

## TITLE II. REGULATION OF WATER CARRIERS IN INTERSTATE AND FOREIGN COMMERCE

This title of the bill consists of two sections, 201 and 202. Section 201 amends the Interstate Commerce Act by adding at the end thereof a new part III providing for the regulation of domestic water transportation. Section 202 relates to the effective date of the provisions of the new part III.

Most of the regulatory provisions included in the new part III were modeled on provisions of part I dealing with the same subject. However, it was found that the provisions of part I were, in many cases, unnecessarily repetitions, and in many cases not logically arranged. Much unnecessary language was omitted or condensed, and some provisions were rearranged, in the drafting of the provisions of part III. It seems desirable to state this in order that undue significance, from the standpoint of their legal effect, will not be attached to these differences in language and arrangement.

The provisions of the new part III are as follows:

### SECTION 301. SHORT TITLE

This section contains the short title of the new part, and a table of contents.

### SECTION 302. DEFINITIONS

This section contains the definitions. Reference is here made only to those definitions which seem to require some explanation.

Paragraphs (d) and (e) contain definitions of common carrier by water and contract carrier by water. The only features of these definitions which need explanation are the exceptions contained therein which are principally for the purpose of dealing with the subject of water transportation engaged in by carriers which are primarily engaged in other modes of transportation.

By virtue of these exceptions the definition of common carrier by water does not include transportation by water by a carrier by railroad subject to part I, or by a common carrier by motor vehicle subject to part II where such transportation is incidental to transportation subject to parts I and II, and where such transportation is performed within terminal areas in transfer, collection, or delivery services, or where such transportation constitutes the performance of floatage, lightering, or towage. Such water transportation by railroads and motor carriers is to be regulated under parts I and II of the act according to the type of carrier performing it. A similar exception is contained in the definition of contract carriers by water with respect to water operations of contract carriers by motor vehicle. This latter exception was confined to contract carriers by motor vehicle because of the fact that operations by railroads and by common carriers by water do not involve contract carriage.

The definition of contract carrier by water excludes transportation of the character defined in paragraph (d) and in the various exceptions in that paragraph.

Each of these definitions contains a provision to the effect that transfer, collection, or delivery services by water by any person—whether as an agent or under a contractual arrangement—for a common carrier by railroad subject to part I, an express company subject to part I, a common carrier by motor vehicle subject to part II, or a common carrier by water subject to part III, shall be considered to be performed by the common carrier or express company for which such person performs such services, and shall be regulated on that basis. This provision as contained in paragraph (d) is one of the exceptions referred to in the language in parentheses contained in paragraph (e).

Paragraphs (g) and (h) contain definitions of "transportation facility" and "transportation." Some question has been raised as to the broadness and comprehensiveness of these two definitions, apparently based on the misconception that this will result in the regulation of persons generally. It seems well to point out that these definitions are merely for the purpose of giving definite meaning to other definitions contained in part III. No regulation of transportation or of the use of transportation facilities is provided for except where such transportation or use is by, or incidental to operations of, water carriers subject to part III.

Paragraph (i) defines the terms "interstate or foreign commerce" and "transportation in interstate or foreign commerce." This paragraph defines the jurisdiction of the Commission so far as the type of water transportation covered by part III is concerned. In general terms the scope of regulation is all domestic water transportation or transportation by a combination of water, railroad, or motor vehicle, and also such transportation in foreign commerce to the extent that there is a movement from a point in the United States to another point in the United States either before or after transshipment at a place within the United States. To illustrate, a shipment of goods by water from Albany, N. Y., to Liverpool, England, would not be covered by part III if there were no transshipment at an intermediate point within the United States. On the other hand, goods shipped by water from Albany to New York City and there transhipped for movement beyond by water to Liverpool would be subject to regulation insofar as the shipment from Albany to New York City was concerned.

### SECTION 303. APPLICATION OF PROVISIONS; EXEMPTIONS

Certain water transportation, principally by carriers owned and controlled by railroads, has heretofore been subject to regulation under part I. Much of this transportation will be subject to the new part III. However, it is deemed advisable to have part I continue to apply to such transportation to the extent that it

imposes regulation in addition to what is imposed by part III, and subsection (a) of this section so provides.

Subsections (b), (c), and (e) relate to exemptions in the case of contract carriers. Very painstaking consideration was given to the working out of these exemptions. Every effort was made to avoid imposing unnecessary regulation upon carriers of this type, which have never before been regulated, and at the same time to insure that the exemptions would not result in regulated carriers being subjected to unfair competitive disadvantages.

Subsections (b) and (c) are unqualified exemptions, and the carriers exempted are not required to apply to the Commission for exemption. These exemptions are written in terms of the transportation engaged in, so that any other transportation which the carriers may engage in will be subject to such regulation as may be provided for. Subsection (b) exempts transportation by any contract carrier by water of commodities in bulk in a vessel the cargo space of which is used for the carrying of not more than three such commodities at any given time. In order to further limit the exemption, it only applies in the case of commodities which are (in accordance with the existing custom of the trade in the handling and transportation of such commodities as of June 1, 1939) loaded and carried without wrappers or containers and received and delivered by the carrier without mark or count. It is provided that two or more vessels, while navigated as a unit, shall be considered as a single vessel. This is necessary for purposes of the application of the "three commodities" provision, and will apply in the case of barges and similar vessels physically connected with one another and towed or propelled under or by the same motive power. It is provided that the subsection shall not apply to transportation subject, at the time part III takes effect, to the provisions of the Intercoastal Shipping Act, 1933, as amended. This provision does not exempt intercoastal contract carriers because such carriers are already under regulation by the Maritime Commission. Such carriers will, however, be entitled to be exempted under the provisions of subsection (e) if they can qualify thereunder.

Subsection (c) exempts transportation by a contract carrier by water of commodities in bulk in a nonoceangoing vessel on a normal voyage during which the cargo space of the vessel is used for carrying not more than three such commodities, and during which the vessel passes within or through waters which are made international for navigation purposes by any treaty to which the United States is a party. This will apply on the Great Lakes. If the contract carriers in question were regulated, it would place them at an unfair advantage in their competition with unregulated Canadian vessels.

Subsection (d) exempts transportation of liquid cargoes in bulk in tank vessels designed for such use exclusively and certified under regulations approved pursuant to section 4417a of the Revised Statutes.

Subsection (e) provides for an exemption, which may be obtained only upon making application to the Commission, in the case of contract carriers engaged in transportation which, by reason of the inherent nature of the commodities transported, their requirement of special equipment, or their shipment in bulk, is not actually and substantially competitive with transportation by a common carrier subject to part I, II, or III. This provision is more liberal than the similar provision in the Senate bill (S. 2009) in that it provides that an application made prior to October 1, 1939, by a carrier in operation on June 1, 1939, shall exempt the carrier until a final determination of the application. This gives the carrier an opportunity to escape from being brought under regulation at all if he is entitled to the exemption. Under the Senate bill the carrier would come under regulation and then have to prove his right to be relieved from it. This special privilege relating to an application made prior to October 1, 1939, does not apply, however, to intercoastal contract carriers, since they are already under regulation; but such carriers are entitled to exemption in due course if they can establish their right to it.

Subsection (f) is to insure that laws of navigation, and certain other admiralty matters, will not be affected by part III unless there is a conflict.

Subsection (g) exempts certain transportation within a single harbor or between places in contiguous harbors, and transportation by ferry, and by small craft.

Subsection (h) provides for exempting water carriers engaged solely in transporting the property of persons owning all—or substantially all—of their voting stock.

Subsection (i) relates to the application of the provisions of part III to water carriers owned or controlled by the United States.

Subsections (j) and (k) make it clear that the regulatory powers of the States over matters within their respective jurisdictions are not impaired by the provisions of part III.

### SECTION 304. GENERAL POWERS AND DUTIES OF THE COMMISSION

Subsections (a) and (b) grants the Commission administrative powers similar to provisions contained in parts I and II.

Subsection (c) empowers the Commission to classify carriers to establish just and reasonable rules, regulations, and requirements consistent with the provisions of part III to be observed by the carriers so classified. This is similar to section 204 (c) of part II.

Subsection (d) gives the Commission power to relieve water carriers from the provisions of part III to the extent necessary to avoid or lessen undue disadvantages suffered by reason of the practices of persons operating to or from ports of foreign countries.



Subsection (e) authorizes the Commission to investigate for the purpose of determining whether any water carrier has failed to comply with any provision of part III or with any requirement established pursuant thereto, and to issue appropriate orders to compel compliance.

#### SECTION 305. RATES, FARES, CHARGES, AND PRACTICES: THROUGH ROUTES

Subsection (a) contains the general requirement regarding the duty of a common carrier by water to render service and to establish just and reasonable rates, and so forth. The requirements are similar to those in section 1 (4) and (6) of part I.

Subsection (b) imposes the duty upon common carriers by water to establish through routes with other such carriers and with common carriers by railroad. Permission is given to establish reasonable through routes with common carriers by motor vehicle. Just and equitable divisions of joint rates are required. Comparable provisions of part I are in section 1 (4).

Subsection (c) prohibits a common carrier by water giving undue or unreasonable preferences to any person, port, port district, and so forth, but it contains a proviso that the subsection is not to apply to any discrimination, prejudice, or disadvantage to the traffic of any other carrier. Except for the proviso, comparable provisions of part I are in section 3 (1).

Subsection (d) prohibits discriminations by common carriers by water in the interchange of traffic between their lines and connecting lines of railroad. The comparable provision of part I is in section 3 (3) as amended.

#### SECTION 306. TARIFFS AND SCHEDULES

Subsection (a) imposes the duty on common carriers by water to file with the Commission, and to keep open for public inspection, tariffs of its rates, charges, classifications, rules, regulations, and practices. It is comparable to section 6 (1) of part I.

Subsection (b) imposes certain requirements relating to rates and tariffs.

Subsection (c) requires observance of rates and tariffs filed with the Commission.

It also makes applicable to common carriers by water the provisions of section 1 (7) and 22 (1) of part I relating to transportation free or at reduced rates.

Subsection (d) requires notice to be given of changes in rates. It is comparable to section 6 (3) of part I.

Subsection (e) deals with contract carriers by water, and requires such carriers to file with the Commission and keep open for public inspection schedules of minimum rates actually maintained and charged, but the Commission is authorized to require the filing in lieu of such schedules, of copies of the contracts containing the charges of such carriers. Such contracts are not required to be open for public inspection, but the Commission may make public the information contained therein under certain specified circumstances. The Commission may, for good cause, grant relief from the requirements of this subsection. It is comparable to section 218 (a) of part II as amended.

#### SECTION 307. COMMISSION'S AUTHORITY OVER RATES, ETC.

Subsections (a) and (b) give the Commission authority to inquire into the justness and reasonableness of rates of common carriers by water, and to prescribe, in proper cases, maximum or minimum rates, or both. This provision is comparable to provisions contained in sections 13 (1) and (2) and 15 (1) of part I.

Subsection (c) specifies certain elements which shall not be considered in determining value for rate-making purposes. This provision is comparable to section 216 (h) of part II.

Subsection (d) authorizes the Commission, and makes it the duty of the Commission when found necessary or desirable in the public interest, to establish through rates and joint rates applicable to transportation by common carriers by water and by such carriers and carriers by railroad. This provision is comparable to a similar provision in section 15 (3) of part I. This subsection (d) also provides that in case of a joint rail and water rate the Commission may prescribe such reasonable differentials as it may find to be justified between all-rail rates and the joint rates in connection with such common carrier by water.

Subsection (e) gives the Commission authority to establish equitable divisions of joint rates between carriers subject to the act. This subsection is comparable to section 15 (6) of part I.

Subsection (f) is the "rate making" rule directing the Commission to take into consideration, among other factors, certain specified considerations. Among these is the need, in the public interest, of adequate and efficient water-transportation service at the lowest cost consistent with the furnishing of such service. This subsection is essentially the same as section 15a of part I and section 216 (i) of part II, except that each is written from the standpoint of the type of transportation covered in the particular part of the act.

Subsection (g) gives the Commission power to suspend new rates of common carriers by water pending determining of their lawfulness. It is similar to section 15 (7) of part I. It will not apply to schedules filed prior to January 1, 1941, except in the case of carriers which have been under regulation under laws administered by the Maritime Commission.

Subsection (h) gives authority to the Commission to prescribe minimum rates of contract carriers by water. The subsection contains special provisions regarding consideration to be given to the competitive relationship between contract and common carriers, and to the cost of the services rendered by contract carriers, and

to the effect of such minimum charge on the movement of traffic by such carriers.

Subsection (i) authorizes the Commission to suspend rates of contract carriers for new services, or rates representing a reduced charge, pending determination of their lawfulness. It applies to schedules, contracts, and so forth, filed by contract carriers now subject to regulation under existing law by the Maritime Commission, and to schedules, contracts, and so forth—except initial schedules, contracts, and so forth—filed prior to January 1, 1941, by contract carriers made subject to regulation by this part.

#### SECTION 308. REPARATION AWARDS; LIMITATIONS OF ACTIONS

This section provides for liability for damages for violations of part III by certain water carriers and is similar to certain provisions in sections 8, 9, 16 (1), (2), (3), and (4) of part I. This section does not apply to all water carriers, but only to those carriers which have heretofore been subject to similar liability for damages under the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933. It is so limited by the definition of "carrier" in subsection (a).

It also deals with the time for bringing suits against such carriers for recovery of damages for violations of part III. It conforms to the provisions of part I as amended by this bill, except that it does not include provisions for actions by carriers for recovery of their charges. Such actions will be governed by several principles of law.

#### SECTION 309. CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

Subsections (a) to (e) are similar to certain provisions in sections 206, 207, and 208 of part II, relating to certificates of public convenience and necessity, and contains a "grandfather" provision as to common carriers by water in operation on June 1, 1939.

Subsections (f) and (g) require the securing of permits in the case of contract carriers by water. The "grandfather" date is June 1, 1939, as in the case of common carriers. These subsections compare with section 209 of part II.

#### SECTION 310. DUAL OPERATIONS UNDER CERTIFICATES AND PERMITS

This section provides for issuance of both a certificate and a permit to the same carrier when the Commission finds it consistent with the public interest. It is similar to section 210 of part II.

#### SECTION 311. TEMPORARY OPERATIONS

This section permits the Commission to authorize temporary operations by water carriers to meet immediate and urgent needs, and in cases where delays occur in connection with the determination of applications for consolidations and mergers. It is comparable to section 210a of part II.

#### SECTION 312. TRANSFER OF CERTIFICATES AND PERMITS

This section permits certificates and permits to be transferred under regulations to be prescribed by the Commission. It is comparable to section 212 (b) of part II.

#### SECTION 313. ACCOUNTS, RECORDS, AND REPORTS

This section provides for the making of reports to the Commission by water carriers, and authorizes the Commission to prescribe the forms of accounts, records, and memoranda of such carriers. It is comparable to certain provisions in section 20 (1) to (5), inclusive, of part I.

#### SECTION 314. ALLOWANCES TO SHIPPERS FOR TRANSPORTATION SERVICES

This section is similar to section 15 (13) of part I, and relates to allowances to shippers on account of services rendered or facilities furnished by them in connection with transportation performed by a water carrier.

#### SECTION 315. NOTICES, ORDERS, AND SERVICE OF PROCESS

This section relates to routine administrative matters, and is comparable to similar provisions relating to carriers subject to part I.

#### SECTION 316. ENFORCEMENT AND PROCEDURE

Subsection (a) makes applicable to the new part III general procedural and judicial review provisions which apply in case of the administration and enforcement of part I.

Subsection (b) relates to procedure for the enforcement of the provisions of part III and of orders issued thereunder other than orders for the payment of money.

Subsection (c) relates to the reports and findings of the Commission and the publication thereof.

Subsection (d) relates to the preservation as public records of copies of schedules, tariffs, contracts, etc., of water carriers filed with the Commission and the use of certified copies thereof as evidence.

#### SECTION 317. UNLAWFUL ACTS AND PENALTIES

This section defines certain unlawful acts and prescribes penalties therefor and for violations of provisions of this part.

#### SECTION 318. COLLECTION OF RATES AND CHARGES

This section provides that a common carrier by water shall collect its tariff rates and charges before delivery of freight transported by it, except under rules as prescribed by the Commission. It also provides for credit arrangements, and for liability of the consignor, consignee, and the beneficial owner of the property transported under specified conditions. It is similar to section 3 (2) of part I.

#### SECTION 319. EMPLOYEES

This section authorizes the Commission to employ such experts, agents, examiners, attorneys, or other employees as may be necessary for the efficient administration of this part.

# SECTION 320. REPEALS; TRANSFER OF EMPLOYEES, RECORDS, PROPERTY, AND APPROPRIATIONS

Subsection (a) repeals the provisions in the various shipping acts and the Merchant Marine Act, 1920, and the Merchant Marine Act, 1936—except section 205—insofar as they provide for the regulation of transportation in interstate or foreign commerce—as defined in part III—and insofar as they provide for the regulation of persons engaged in such transportation.

It was impossible to repeal the various provisions of these acts by specific reference, due to the fact that regulation of domestic commerce by water is intermingled with regulation of foreign commerce by water. While some uncertainty will probably result, particularly at first, by reason of the necessity for handling these repeals in this way, no more satisfactory way was found.

It is believed that the general purpose is clear, namely, to supersede the provisions of present law to the extent that they are inconsistent with the provisions of the new part III, and to the extent that the new part III covers the same subject matters covered by the present provisions of law.

Subsection (b) relates to the transfer of such officers and employees of the United States Maritime Commission as the President shall determine to be necessary.

Subsection (c) relates to the transfer of certain files, reports, records, tariff schedules, and other documents filed with the United States Maritime Commission, to the jurisdiction and control of the Interstate Commerce Commission.

Subsection (d) relates to the availability for expenditure by the Interstate Commerce Commission of appropriations and unexpended balances of appropriations available for expenditure by the United States Maritime Commission in the administration of any provision of law repealed by this part.

## SECTION 321. EXISTING ORDERS, RULES, TARIFFS, ETC.: PENDING MATTERS

Subsection (a) relates to the continuance in effect of all orders, rules, regulations, permits, tariffs, contracts, and so forth, issued, authorized, or filed under provisions of law repealed by this part. Such orders, rules, regulations, permits, tariffs, contracts, and so forth, shall continue in effect as though issued, authorized, or approved by the Interstate Commerce Commission under this part.

Subsection (b) provides for the continuance by the Interstate Commerce Commission of any proceeding, hearing, or investigation commenced or pending before the United States Maritime Commission at the time this section takes effect to the extent it relates to any provision of law repealed by this part.

Subsection (c) provides for the continuance and determination of any judicial proceeding arising under any provision of law repealed by this part.

## SECTION 322. SEPARABILITY OF PROVISIONS

This section provides that if any provision of this part shall be held invalid the remainder of the part shall not be affected thereby.

## TITLE III. MISCELLANEOUS

### PART I

This title of the bill consists of three parts. The provisions of part I relate to the construction and alteration of bridges over navigable waters. They include sections dealing with definitions of terms used in the part; the obstruction by a bridge of free navigation of any navigable waters of the United States; the alteration of bridges over such waters; sections governing the building and alteration of such bridges; the apportionment between the owner of the bridge and the United States of the cost of building and altering such bridges; sections dealing with authorization of appropriations; penalties for failure to comply with orders, together with provisions for judicial review thereof. These provisions will supersede present law relating to the same subject.

### PART II

Part II deals with rates on Government traffic. This part consists of two sections, 321 and 322. Subsection (a) of section 321 provides that notwithstanding any other provision of law the Government shall pay the full applicable commercial rates, fares, or charges for transportation by any common carrier subject to the Interstate Commerce Act of persons or property for the United States or on its behalf; and the full compensation determined by the Interstate Commerce Commission as reasonable therefor for the transportation by railroad of the United States mail. The provision with respect to the transportation of persons or property is, however, subject to section 22 of the Interstate Commerce Act, as amended, which permits railroads and other carriers voluntarily to enter into contracts with the United States Government for the transportation of persons or property for the Government at free or reduced rates.

There is also a provision that any carrier by railroad and the United States may enter into contracts for the transportation of the United States mail for less than the compensation prescribed as reasonable by the Commission. It is provided also that section 3709, Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5), shall not be construed to require advertising for bids in procuring transportation services when such services can be procured from any common carrier lawfully operating in the territory where such services are to be performed.

The effect of subsection (a) is to relieve the carriers from the necessity of transporting persons or property of the United States at land-grant rates.

Subsection (b) provides that before any carrier by railroad may obtain the advantage of subsection (a) it shall file with the Secretary of the Interior a release of any claim it may have against the

United States to lands, interest in lands, compensation, or reimbursement on account of lands or interests in lands, which have been granted, claimed to have been granted, or which it is claimed should have been granted to such carrier or any such predecessor in interest under any land grant to such carrier or such predecessor in interest as aforesaid.

Section 322 provides for prompt payment to any common carrier subject to the Interstate Commerce Act for transportation of persons or property for the United States and includes a provision for deduction of overpayments.

### PART III

Part III amends section 5 of the Reconstruction Finance Corporation Act, as amended. The amendments in part III provide that the Reconstruction Finance Corporation, with the approval of the Interstate Commerce Commission, may purchase the obligations of railroads, including equipment trust certificates, or guarantee the payment of the principal of, or interest on, such obligations, or both, or make loans to such railroads. The purchases, guarantees, or loans may be made to aid in the financing, reorganization, reduction, or readjustment of principal or interest charges, consolidation, maintenance, or construction of railroads. It is provided that in every case of such a purchase, guaranty, or loan, the Commission and the Corporation shall, in connection with the approval or authorization thereof, find that the prospective earning power of such railroad, together with the character and value of the security offered, furnish, in the opinion of the Commission and the Corporation, reasonable protection to the Corporation.

Section 5 of the Reconstruction Finance Corporation Act is further amended by adding a provision to the effect that the title of any owner to property leased or conditionally sold to a railroad which the Corporation has financed, or aided in financing, any right of such owner to take possession of such property under such lease or sales contract, and the title of any owner of a collateral note evidencing a loan to a railroad from the Corporation and the right of any such owner to acquire title to the collateral securing such note, free of any equity of redemption, and the absolute ownership thereof, shall not be affected by the provisions of the Bankruptcy Act of July 1, 1898, as amended, or by any other provision of law applicable to any proceedings thereunder.

Section 3 of the act approved January 31, 1935 (49 Stat., ch. 2, pp. 1-2), is amended by extending the time within which loans made by the Reconstruction Finance Corporation may mature from January 31, 1945, to January 31, 1955.

### 5. COMPLIANCE WITH PARAGRAPH 2A OF RULE XIII

In view of the voluminous character of the provisions of law amended by the bill, a supplemental committee print is being prepared showing in bill-size type the textual changes proposed to be made in the Interstate Commerce Act and other provisions of law. This print will be made available for Members of the House.

It is said by some that the bill, even though enacted into law, will increase freight rates and will not help the railroads. This is not necessarily true. The bill, if enacted into law, will help the railroads because it will prevent cut-throat competition, which always destroys. If this is done, the public will not pay any increased freight rates because the public does not get an advantage from cutthroat competition. The same thing was said when we passed the Motor Carrier Act. I heard practically the same argument then against that bill that I am hearing now. If motor transportation had not been regulated, no efficient, capable operator of trucks or busses could have stayed in business. One of the main reasons that we passed the law was on account of the fact that there were so many irresponsible operators of motor vehicles that cut the prices so that any operator wanting to give service to the public could not compete. We had illustrations where motor carriers of freight who were not financially responsible were moving largely furniture of individual people in moving from town to town where the property was lost or destroyed by fire, and it was an absolute loss to the shipper. In the hearings it was also shown that there were irresponsible bus owners or operators whose bus broke down long distances away from where the journey started or where it was to end and passengers were left stranded.

Water regulation will prevent these irresponsible, both morally and financially, persons from engaging in the transportation business. This will be a benefit to the public. It will not increase the freight rates to the public and it will benefit the legitimate water carriers as well as the railroads.

But if the cost of transportation should be increased slightly, both the passenger and the freight, is it not better to have a sound transportation system in the United States rendering the service to the people by an authoritative regulation, to take care of the people's interest, than it is to have



an unregulated, irresponsible system liable to break down at any time not rendering the service to which the public is entitled?

The railroad company employs approximately a million persons; the rights of railway labor are to be considered, and should be considered, in the passage of any legislation. The rights of railroad securities owners, totaling billions of dollars, are to be considered in the passage of any legislation, but there should also be considered, because we are representing the public interest, what is in the public interest, and, as I stated in the beginning, those who have studied this question for a number of years have unanimously decided that all forms of transportation should be regulated in order that all forms of transportation be dealt justly with and have an equal opportunity. We cannot have a transportation policy with the railroads, the motor carriers, and the airplane carriers regulated and leave one great transportation agency unregulated, to prey upon the public as well as its competitors. The next question then comes, Who shall regulate the water carriers? To my mind there is only one agency of the Government who should do this and that is the Interstate Commerce Commission. For over 50 years they have regulated the railroads; for over 4 years they have regulated the motor carriers; they have rendered at all times high and efficient services, and the criticism that has been made here on the floor of the House of the Commissioners is unjust and uncalled for. Men like Chief Justice Hughes, lawyers not representing the railroads, and others having no connection have not hesitated to praise the work of the Commission very highly. With the reorganization of the Commission, as provided in this bill, there is no question but what they will be able to handle an additional transportation agency as well as they have handled the motor carriers and the railroads. All of the regulations necessary for the various forms of transportation should be coordinated by one regulatory body.

As the bill is read under the 5-minute rule, the members of the committee and I remind you that 23 out of the 25 members of the committee are for the bill; and if it becomes necessary will explain to you the various sections.

Those of us who were fortunate enough to be on the subcommittee and all who were on the committee realize the importance of this question and all gave to it their best in order that the country might have a national transportation policy. [Applause.]

Mr. WOLVERTON of New Jersey. Mr. Chairman, I have no further requests for time on this side, so I yield myself the remainder of the time.

Mr. Chairman, the purpose of the bill now before the House, known as the Transportation Act of 1939, is to fix a national transportation policy that will unify or coordinate the several transportation agencies—railroads, trucks, and water carriers—into a national transportation system under the jurisdiction of the Interstate Commerce Commission with power to regulate each of them in the public interest.

#### THE NEED FOR A NATIONAL TRANSPORTATION POLICY

The present distressed condition of railroads throughout the Nation is known to all. Over 63,390 miles of class I railroads—those earning \$1,000,000 or more of gross revenues—are in the hands of receivers or trustees. This represents nearly one-third of the entire railroad mileage of the Nation. More than 60 roads, with an approximate mileage of 140,000, have during recent years showed a deficit of nearly \$160,000,000 per annum.

Railroads are not the only agency of transportation in distress. In recent years the trucking industry and water carriers on the Great Lakes, in coastwise and intercoastal trade have likewise suffered continual and heavy losses. Aviation has had a similar experience.

The chaotic condition of transportation became a problem that could no longer be ignored. Numerous investigations and surveys, both governmental and private, have been conducted. The problem has been studied from every angle

by men of experience and training. Varied recommendations and solutions have been offered, but, practically all are of the opinion that first and above all the thing most necessary to be done, regardless of what else might be done, was to coordinate our different transportation agencies under common regulatory control so that all forms of transportation might operate as a unified system in serving the public.

#### VIEWPOINT OF PRESIDENT

On September 17, 1932, Franklin D. Roosevelt, in his campaign for the Presidency, at Salt Lake City, recognized the need of a national transportation policy that would coordinate all carrier service and in that speech forcibly advocated the development of such a policy.

In conformity with this viewpoint, President Roosevelt in a message to the House of Representatives on May 4, 1933, said among other things:

Our broad problem is so to coordinate all agencies of transportation as to maintain adequate service.

In another message to Congress on June 7, 1935, the President said:

It is high time to deal with the Nation's transportation as a single, unified problem. For many years in the past transportation meant mainly railroads. But the rise of new forms of transportation, great expenditures of Government funds for the development of waterways, and for the building of great highways, and the development of invention within the railroad system itself, have enlarged the problem far beyond that conception which dominated most of our past legislation on the subject. In some instances, the Government has helped a little. In others it retarded. In still others it has given special assistance from time to time—in many instances without rhyme nor reason—in all instances without considering every aspect of the problem in the light of all the conditions. It is small wonder that it is a transportation picture so confused the public have been inadequately served.

Continuing, and I invite your close attention to his words, he said:

I have from time to time, in this session, addressed the Congress as to the necessity of various forms of Government aid and regulation of transportation. \* \* \* I can see no reason why the responsibility for the regulation of intercoastal, coastwise, and inland waterways should not be vested in the Interstate Commerce Commission, with proper provision for the departmentalization of the work of the Commission \* \* \*.

In a radio address from the White House, on April 28, 1935, the President said:

Not only business recovery, but the general economic recovery of the Nation will be greatly stimulated by the enactment of legislation designed to improve the status of our transportation agencies. There is need for legislation providing for the regulation of interstate transportation by bus and trucks, to regulate transportation by water, new provisions for strengthening our merchant marine and air transport, measures for the strengthening of the Interstate Commerce Commission to enable it to carry out a rounded conception of the Nation's transportation system in which the benefits of private ownership are retained, while the public stake in these important services is protected by the public's Government.

#### FORMULATION OF NATIONAL TRANSPORTATION POLICY

The first step toward bringing all the transportation agencies of the Nation into unified control under the Interstate Commerce Commission, as suggested by the President in his declaration for a national transportation policy, was taken in 1935 when the Interstate Commerce Commission was given the power to regulate trucks and busses engaged in interstate operations.

Then, in 1938, the President recognizing that the transportation problem, particularly with reference to railroads, was becoming exceedingly serious he requested Chairman Splawn, of the Interstate Commerce Commission, and Commissioners Eastman and Mahaffie to consider the transportation problem and present recommendations for legislation.

No one who is familiar with the character, ability, and experience of these three members of the Interstate Commerce Commission would doubt the wisdom of the President in selecting them for this important task, nor question the soundness of their findings.

This committee of three after careful consideration and study presented to the President a report. The report was

transmitted to Congress on April 11, 1938, House Document 583, accompanied by a message from the President.

In his message to Congress the President stated that during the past month he had "consulted with a large number of individuals on the increasingly difficult problem of our railroad transportation" and pointed out that it was "important for all of us to cooperate in preventing serious bankruptcies among a large number of railroad companies, great and small." In the same message the President further stated:

The troubles of the railroads are not new, but they have been getting, on the whole, steadily more difficult since before the World War. It is true that a general upturn in business would undoubtedly help to keep many railroads from actual receivership. But it is also true that resumption of traffic at last year's level would not solve their growing difficulties permanently.

On September 20, 1938, the President appointed another committee to consider transportation problems and recommend legislation. This committee comprised six men who knew the practical side of railroading. Three of the committee represented railroad management and three represented railroad labor. Every member of that committee is recognized as having outstanding ability in his particular field of activity. The character, ability, and experience of these men was sufficient to justify confidence in their findings and conclusions. On December 23, 1938, this committee submitted its unanimous report and recommendations to the President.

A reading of the reports submitted to the President by these two committees reveals that each had made a profound study of the transportation problem; and it is not surprising that in many particulars similar recommendations were made as a part of a program to solve some, though not all, of the difficulties with which the different agencies of transportation were faced. Both of these committees, as well as every other responsible person or group making a study of the question, have recommended the formulation of a national transportation policy that would unify under one single regulatory governmental body the several agencies of transportation. Both the Committee of Three and the Committee of Six recommended that the regulatory body should be the Interstate Commerce Commission.

#### PROBLEM STUDIED BY COMMITTEE AND REPORT MADE TO HOUSE

Upon the convening of this session of Congress the appropriate committees of the Senate and the House undertook the study of the transportation problem and the formulating of legislation to meet the existing needs. This task in the House was undertaken by your Committee on Interstate and Foreign Commerce. For 10 weeks the committee conducted hearings on the proposed legislation. Numerous witnesses were heard, representing every conceivable interest. Never has any committee of this House been more zealous and earnest in the desire to obtain all possible information and every worthwhile opinion and viewpoint. The one and only thought that dominated the committee was to formulate legislation that would be helpful to all forms of transportation and in the public interest and that would justify the confidence that this House has always had in its Committee on Interstate and Foreign Commerce. At no time did political partisanship divide us in either thought or action. Consequently this bill comes before the House with practically the unanimous approval of the committee. Only two members have dissented, and their objection is only to one or two features of the bill.

Nothing could more clearly set forth the fundamental purpose of this legislation and the desire to preserve the inherent advantages of every form of transportation than the declaration of this committee in the bill as to what should be our national policy in this important matter. Permit me to read from the bill:

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, adequate, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; and to encourage

fair wages and equitable working conditions established through collective bargaining. All to the end of insuring the development and preservation of a national transportation system adequate at all times to meet most economically and efficiently the full needs of the commerce of the United States, of the Postal Service, and of the national defense.

That declaration of policy is the foundation upon which this bill has been drawn. In no particular does any provision of this bill deviate from it in the slightest degree; each provision and all of them taken together do nothing other than make that declaration effective as a national policy. With the administration of the act in accordance with the spirit and intent of the act no unfair or unjust advantage can be gained by one means of transportation over another. And certainly there is neither probability or possibility that water carriers will be ruined or wiped out as has been so extravagantly stated by some Members during the course of this debate. The same arguments were made and fears expressed when motor carriers a few years back were brought under the regulatory jurisdiction of the Interstate Commerce Commission. The short time that has intervened has been sufficiently long to disprove the foundation of such fears and to demonstrate the advantages and resultant benefits that have been gained by that industry. This in itself is sufficient to answer every argument that has been made against the extension of regulatory power to the Interstate Commerce Commission over water carriers. [Applause.]

#### OPPOSITION NOT JUSTIFIED BY FACTS

Now, a word or two to those Members of the House who are members of the President's own party, and who have spoken bitterly against this bill. Men who have been and now are ardent, zealous, and perpetual followers of the President, if we are to judge by the fervent manner in which they pledge to him their allegiance—I have been astounded by the manner in which some of them have attacked this measure as a railroad bill, as a bill in the interest of Wall Street, as an effort to destroy water carriers throughout the Nation. When they make these and similar attacks upon this bill they are thereby impugning the motives of their own leader, the President. For it was he who as a candidate for the Presidency pointed to the necessity for this type of unified regulatory control. It was he who, as President, on numerous occasions in messages to Congress and in addresses to the Nation advocated and sought from Congress just what your Committee on Interstate and Foreign Commerce has presented to this House in this bill. It was he who in these recent days requested the consideration and passage by Congress of this legislation at this session of Congress. Thus, when you condemn this bill as being based upon ulterior motives you are making your charges against the President. The members of the committee that reported this legislation, Democrats and Republicans, were only fulfilling a task laid upon them by the President. They have responded whole-heartedly and to the best of their ability because, casting aside all considerations of partisanship, we have believed the President to be right in the policy he has advocated for a coordinated system of transportation under the regulatory jurisdiction of the Interstate Commerce Commission. Let me remind these erring brothers "that so long as the light holds out, the vilest sinner may return," and you still have an opportunity to repent and show your contrition by voting for the bill in its entirety.

Unfortunately, the time at my disposal does not give me an opportunity to address my remarks to all the baseless charges that have been made by the opponents of the bill.

#### WATER CARRIERS WILL NOT BE DESTROYED

First. The charge has been made that the purpose of the bill is to destroy water carriers. I challenge any Member of this House to point to one provision, or, any combination of provisions, that could effect such a purpose even if the desire to do so existed. The charge is so ridiculous that I doubt whether it should be dignified with an answer. If this charge be true then the President in suggesting this regulatory policy was planning for their destruction. If this charge be true then the Committee of Three, composed of three of the Government's most trusted and able public servants, and



the Committee of Six were in conspiracy to effect a purposeful destruction of water carriers in the interest of the railroads of the country and in similar fashion such a charge lays at the door of the membership of the House committee a willingness, either through ignorance or intent, to accomplish by legislative means what otherwise could not be accomplished. And if none of these were imbued with the intent to do this thing then who is guilty of having led the President to recommend and your Committee on Interstate and Foreign Commerce to cooperate in such an enterprise. Of course, there is no foundation for such a charge either in the provisions of the bill or the intent and purpose behind the bill.

It may be that those who make such a charge do so upon the theory that the power to regulate is the power to destroy. This reduced to plain language would mean that they believe the Interstate Commerce Commission would use the power of regulation to destroy the water carriers. If the charge is made seriously, then I ask, why would the Commission do so? They have not done so with reference to that portion of water-carrier transportation that is now within its jurisdiction. They have not done so with respect to motortrucks and busses that are now within its regulatory power. On the contrary, the trucking industry is on a more stable basis than at any time in its history. With the experience already gained additional benefits will accrue in the days ahead.

The Interstate Commerce Commission needs no defense at my hands. Its faithful, conscientious, and able handling of the powers and duties committed to it, for the more than 50 years of its existence, is a guaranty of the high quality of service that can be expected in the future as additional powers and increased jurisdiction is given to it.

#### BILL WILL NOT RAISE WATER RATES TO LEVEL OF RAIL RATES

Second. Those less antagonistic than the class of opponents to which I have just referred, express fear that the Interstate Commerce Commission if given the power over rates as provided for in this bill will raise water-carrier rates to the level of rail rates and thereby divert the traffic to the railroads. Neither reason nor logic would justify such a charge. The provisions of this bill would preclude the possibility of such a result. Everyone recognizes that under certain circumstances transportation by water is cheaper than by rail. In fact, this bill recognizes that in many instances that it is so cheap that actual competition between rail and water carriers does not exist. The exemption of bulk carriers under the provisions of this bill is a recognition of this principle. Remember, this bill specifically requires that the regulation shall be "fair and impartial" as to all modes of transportation, and the act so administered "as to recognize and preserve the inherent advantages of each."

Furthermore, I direct your attention to the results of regulation of motor carriers engaged in interstate operations. The same fear was expressed when that bill was under consideration by this House. There is a striking similarity to the arguments then and now made. Already the administration of that regulatory act has not only proved generally satisfactory to the parties affected, but it has not resulted in increasing rates. Shippers today, because of the stabilizing effect of the regulation of the motor industry, are receiving better and more economical service than at any previous time. Likewise, it might be pointed out that regulation of railroads has shown a gradual and continual dropping of rates over a period of 15 years. The fear of increased rates to drive business away from water carriers to the railroads is a myth without any substance of justification. [Applause.]

#### *All water carriers are not opposed to regulation*

Third. Some of the Members opposing this bill have sought to make it appear that all water carriers are opposed to regulation. Such is not the case. Many of them, through their representatives, have made known to the committee their desire for the stabilizing influence of regulation. Regulation invariably cuts out the "chiseler" whether it be a

carrier or a shipper seeking some unfair advantage over a competitor.

As evidence of this desire upon the part of some of the established water carriers, I direct your attention to the testimony of General Ashburn, president of the Federal Barge Line, a Government-owned and operated water carrier. In testifying before the House Committee on Merchant Marine and Fisheries on May 8, 1935, with reference to a bill similar in effect as that now before the House, he said:

The fact that I bring these matters up does not alter my belief that the Interstate Commerce Commission is the proper body to administer the regulation of all forms of transportation.

Testifying further, he said:

I advocate all forms of shipping should be placed under the Interstate Commerce Commission.

Similar views as to the necessity and advisability of regulation of water carriers were expressed by L. W. Childress, president of the Mississippi Valley Barge Line, a privately owned company operating on the Mississippi River. At a joint hearing held by the Committee on Interstate Commerce of the Senate and a subcommittee on merchant marine of the Senate Committee on Commerce in the Seventy-fourth Congress, first session, when a bill to regulate rates of water carriers by the Interstate Commerce Committee was under consideration, Mr. Childress testified:

Conditions prevailing in the transportation industry persuade me to believe that stabilization of rates—a matter in which the public has a very vital interest—can come only through Federal regulation. I am informed that this is also the view of those responsible for the management of the Inland Waterways Corporation, a Government-owned enterprise. More than 95 percent of the common-carrier traffic on the Mississippi and Ohio Rivers is handled by that company and ours.

Continuing, he said:

That the shippers are overwhelmingly in favor of regulation appears to be evidenced by the vote on a referendum on the subject taken by the United States Chamber of Commerce. One thousand six hundred and fifty-four local chambers of commerce voted in favor of regulation, while but 286 voted in opposition to regulation. It is significant that the votes of the chambers of commerce of St. Louis, Cincinnati, Louisville, Evansville, Memphis, and New Orleans, which are served by river transportation, were in favor of regulation.

Now, with respect to the coastal or intercoastal shipping viewpoint, there is a similar expression of approval of regulation by Edward P. Farley, of the American-Hawaiian Steamship Co. In his testimony before the Committee on Merchant Marine and Fisheries at a hearing on a bill for the regulation of water transportation during the first session of the Seventy-fifth Congress, he said:

I can only say that at the Senate hearing I appeared for a number of common-carrier companies who were in favor of the bill. I have not inquired of them or asked them whether they have changed their opinion. So far as our company is concerned, we still believe that coordinated regulation, as provided in this bill, is valuable and helpful and a necessary clarification of the regulation we are now under. Putting such regulation under the Commission will enable the regulating body to be more helpful in regulating transportation as a whole.

There is much more testimony of similar character that could be presented if time permitted. All of this indicates that the water carriers themselves are anxious for regulation because of its stabilizing effect on an industry that at times has bordered on chaos.

As a concluding statement on this question of whether or not water carriers are opposed to regulation, and, to refute the statement so frequently made that they are opposed, permit me to make reference to the testimony of Mr. John J. Burns, counsel for the American Merchant Marine Institute, before the Senate committee on S. 2009. The association for whom he appeared represents 49 percent of the total tonnage operating out of Atlantic and Gulf ports under the American flag. He testified:

I am informed that several of the intercoastal and several of the coastwise operators are in favor of the general provisions of this bill and some of the ones you mentioned are members of

the association. Eastern Steamship Co. is, the Luckenbach is not, but an affiliated company is, and the American-Hawaiian is.

Continuing, he said:

It may be conservatively stated, therefore, that a majority of the substantial waterway carriers are in favor of regulation by the Interstate Commerce Commission.

I am certain that these references to the favorable attitude taken by the substantial water carriers of the Nation is sufficient to show that the charge that the water carriers do not want regulation is without any foundation in fact.

#### FARMERS ARE NOT OPPOSED TO REGULATION OF WATER CARRIERS

Fifth. The charge that the farmers of the Nation are opposed to regulation of the water carriers is likewise without justification. It cannot be truthfully said that the farmers have at any time so expressed themselves. As a complete answer to such a charge of opposition upon the part of farmers I direct your attention to that very able, complete, and informative speech of our colleague from Pennsylvania [Mr. VAN ZANDT], appearing upon pages 9197-9202 of the Appendix of the CONGRESSIONAL RECORD. This speech contains a compilation of the resolution adopted by recognized farm organizations in some 15 or more of our so-called farm States expressing their opinion that all forms of transportation, including water carriers, should be brought under governmental regulation.

In this same connection I wish that time would permit me to dwell at length upon the splendid speech of Senator REED, made in the Senate when the Wheeler bill was under discussion a few weeks ago. He plainly and emphatically showed that there was no reason either in principle or in the language of the bill that made regulation of water carriers harmful to the best interests of the farmers. In that speech he said:

I am saying that nobody has ever been able to point out how any benefit has been derived by a farmer in the State of Kansas from the water rate. I think this statement applies equally to Minnesota, to North and South Dakota, and the rest of the so-called grain States. It has never been possible for anybody to show that the farmer got any benefit out of the water rate and General Ashburn's letter to me dated May 10, 1939, is a complete demonstration of that fact.

That is the statement of a Senator who spoke, as he said—

Without fear of successful contradiction, having tried for 20 years the class of cases in which the question of marketing costs and the effect of water transportation rates upon the price of grain to the farmer is involved.

#### INTERSTATE COMMERCE COMMISSION IS APPROPRIATE REGULATORY BODY

Sixth. In concluding my answer to the charges that have been made by opponents of this bill, I wish to make slight reference to the claim that has been argued with such fervor by the distinguished chairman of the Committee on Merchant Marine and Fisheries of the House, namely, that regulation of water carriers should come under the jurisdiction of the Maritime Commission instead of the Interstate Commerce Commission. He does not argue that water carriers are not a proper subject of regulation. In fact, he has introduced, and the committee of which he is chairman has favorably reported, a bill, which is now on the calendar of the House, providing for the complete and effectual regulation of water carriers. Thus we have the opinion of this distinguished chairman and the committee over which he so ably presides, expressed both by appropriate bill and written report, that regulation of water carriers is necessary and advisable. What better answer could be made to those who are opposing any regulation? It is irrefutable and unanswerable, coming as it does from the Committee on Merchant Marine and Fisheries of the House.

Thus the only question at issue is with reference to the particular body or governmental agency that can most appropriately exercise the regulatory jurisdiction to be conferred.

If there was to be no effort to provide a unified transportation system and policy for the Nation; if each mode of transportation was to be given unbridled leave to compete by means fair or foul; if the policy was to be inaugurated to

let "dog eat dog" in a wild effort to procure traffic—then there would be some justification in permitting each form of transportation to have its own particular governmental agency. The mere statement of the issue is sufficient to demonstrate the fallacy of providing separate control boards if the public interest is to be served in the highest sense. The spirit and purpose that underlie every effort to reorganize the departments of government to promote efficiency of operation protest against the suggestion of separate commissions for differing modes of transportation.

The President, in recommending a single regulatory body for all transportation, is right. He can clearly see and appreciate the tremendous difficulties that would be encountered in working out a national transportation policy based upon a coordinated and unified system of transportation, hence his recommendation that in the public interest this regulatory power should be conferred upon the Interstate Commerce Commission, that already exercises jurisdiction over railroads, motortrucks and busses, pipe lines, and a considerable portion of water carriers. This Commission already has under its jurisdiction nearly 90 percent of all traffic moving in interstate commerce. Consequently what commission could more fairly and reasonably serve the best interests of all—railroads, motors, water carriers, shippers, and consumers—to better advantage? The President is right in urging the enactment of legislation for a national transportation policy to provide unification and coordination of all transportation facilities throughout the Nation. He is equally right that this important task can be best accomplished by the Interstate Commerce Commission.

Most of my time has now been consumed. There is much of a worthwhile character within this bill. I wish that time was available to enable me to go into the details of the bill. I am certain that a study of this bill will demonstrate to any impartial mind that a great task has been accomplished in a most commendable way, and the results will prove most beneficial to all methods of transportation, and likewise beneficial to the public.

In conclusion, I do wish to acknowledge with appreciation, the fine compliment that has been paid by the chairman of the Committee on Interstate and Foreign Commerce to those who have labored with him in the drafting of this legislation. As one of those to whom he has made reference I wish to express my high regard for the chairman of the committee. In the fulfillment of the arduous duties incident to the consideration and writing of this legislation he has displayed outstanding ability that will ever distinguish him as one of the great chairmen of this great committee. His fine sense of justice and fairness and always judicial attitude has enabled the committee to bring to this House legislation on this important subject that will be harmful to none, and we believe, helpful to all. As such it is entitled to the support of this House. [Applause.]

Mr. LEA. Mr. Chairman, I yield 1 minute to the gentleman from Maine [Mr. OLIVER].

Mr. OLIVER. Mr. Chairman, yesterday was Friday—to many people just another ordinary day—but to railroad labor it was black Friday, to maritime labor it was black Friday, to the producers and consumers of America it was black Friday, to the young and ambitious of our Nation who may have real hopes of gaining a foothold in the water transportation field it was black Friday, to the organized trucking interests of this country of ours it was black Friday, to the taxpayers of the United States it was black Friday.

I make this statement because, on Friday, we had presented to us this transportation bill which should be renamed the railroad management bill. We have already been told that this bill incorporates many of the suggestions of the Committee of Six, but we should be told again that the Committee of Six was entirely and wholly imbued with the railroad complex and atmosphere, and we should continue to keep in mind that this legislation is doubtlessly the quid pro quo resulting from agreements reached during



the railroad wage reduction conference of several months ago—arguments which were reached between railroad management and some branches of railroad labor but evidently not all branches as is evidenced by the opposition of the Brotherhood of Railroad Trainmen to this bill. It is my opinion that the trainmen have analyzed the pending legislation correctly. They have recognized the fact that when consolidations, mergers, and coordinations of railroad carriers or divisions within the railroad carriers are effected, then their interests as employees are necessarily jeopardized. In this connection I quote from a statement made to house members of the Maine delegation by Mr. W. E. Easler, who is the able and conscientious chairman of the Maine legislative board of the Brotherhood of Railroad Trainmen. In a communication dated May 3, 1939, Mr. Easler stated:

At that time I advised that the provisions of the Lea bill were not favorable to either the public interest or the employees of the railroads in the different districts of the State of Maine, because of the consolidation features incorporated therein, as well as the coordinating of service possibility which would allow railroads to combine among themselves, eliminating a large number of employees because of the changes of divisional lines.

By further analysis of the matter contained in the Wheeler bill we find that this bill contains the same consolidation features, and the possibility of the throwing out of employment of a large number of railroad employees, if the provisions are maintained as outlined in the bill. For this reason, we are not in favor of the Wheeler bill any more than we were for the Lea bill, unless these provisions covering consolidation and coordination of service are eliminated in the interest of both the public and the employees.

Referring to the New England situation with particular reference to Maine and the interests of the port of Portland, he further states:

As you know, we now have had over some period of time considerable difficulty as between the port of Portland and Boston, with relation to the matter of water transportation, into which from time to time there has come a question as to how much influence has been exerted by the railroads in diverting of traffic and the handling of business.

You should also know the possibility of what consolidation might mean when you realize that one management now operates the Boston & Maine and the Maine Central properties. If it were possible to eliminate divisional lines on these railroads, they could make flag stations of a lot of our towns and run trains over twice the distance, through which half of the employees would be put out of service, which I do not believe is what the trouble is with the railroads for they are still at the old trough, seeking additional advantages where the private interests can still further sacrifice and create additional unemployment through legislative procedure.

It is my opinion that the railroad experience and the labor-organization activity of Mr. Easler eminently qualify him as one in whom great confidence and reliance may be placed in matters pertaining to the welfare and best interests of railroad labor.

I note that the pending bill pays some lip service to the interests of railroad employees, but it is not my opinion that the language contained in the pending bill adequately protects such interests. There can be no doubt that consolidations and mergers desired by railroad management will be made without too great consideration of the interests of employees affected. We who have observed and experienced such consolidations of control and operations as are vividly portrayed by the merging of operating control of the Boston & Maine and Maine Central Railroads fully appreciate the significance and the merit of the criticism made by Mr. Easler in this connection. Certainly those railroad employees who were thrown out of employment by the merging of operations of the two roads to which I have referred stand as concrete symbols of the results which may be expected when, as, and if this legislation is finally passed by this House. Because of the consolidation and merger authorization in this bill, railroad labor will look back upon yesterday as a truly black Friday, indeed.

Maritime labor also appreciates the vital significance of this legislation to their welfare. Communications from maritime unions, from the International Longshoremen's Association, and other individuals who obtain their livelihood along the water fronts of our port cities, our lakes, and our rivers, indicate the alarm which this legislation is occasioning them. They are fully aware of the fact that this is a railroad-man-

agement bill and they know that the incorporation of the maritime industry under the rate-regulating powers of the Interstate Commerce Commission can have only one effect, which is that of increasing the rates of water-borne transportation. These men who for years have fought to obtain working conditions satisfactory to them in the maritime industry know that the natural effect of increased transportation rates will be to deprive them of productive hours of labor and will also increase the cost of living to them.

The longshoremen of Portland, Maine, are fully aware of the loss which they have incurred not only in dollars and in jobs, but in increased taxes as a result of the loss of business to our community because of the transportation discriminations resulting from the dual control and management of the Maine Central Railroad, a trunk line in our State, by the Boston & Maine Railroad which has been subject to the banking and financial connections of the New Haven and the Pennsylvania Railroad interests. So it was a black Friday for maritime labor all over the country when we realize that similar conditions will develop as a result of this legislation, not only because consolidations and mergers with dual control will follow, but because competitive modes of transportation will be forced by the I. C. C. to raise their freight rates and thereby cause a diversion of traffic from water to rails.

The producers and consumers of America will also feel the heavy effects of this legislation which is, in my opinion, designed to satisfy to a material extent the wishes and desires of the banking and financial interests which have been milking the railroad systems of this Nation. Producers and consumers will be compelled to pay the increased cost of transportation which must be inflicted on them as a result of this bill. But every Friday is black Friday for them because they are not organized to protect their own interests as are those who dictate the policies of the railroad operations of this country. Certainly, the consumers of our Nation are not in a position to send lobbyists to Washington to protect themselves against the impact of this rate-raising attempt to take more dollars out of their pockets in the form of increased transportation rates. Water-borne transportation has been a boon and a tremendous benefit to the consumers of this country and now this natural advantage is to be taken away because railroad management finds itself unable to cope with its problems without the assistance of Federal legislative compulsion. This was just another black Friday for the producers and consumers of every locality of this country who now have available the facilities of water-borne transportation.

To those in our Nation who are imbued with youth and ambition and who have vision and the hope of engaging in the business of transporting commerce by water, this bill establishes an almost insurmountable barrier. Any owner of a vessel which he desires to use in the transportation field, in the event that this bill, as it is now written, becomes a law, must appear before the I. C. C. and obtain a certificate of necessity and public convenience before he is entitled to develop the vision of transportation which he has had. In this connection, Mr. Chairman, I may be pardoned if I indulge briefly in a recital of the facts surrounding an enterprise in my own State which vividly illustrates the point which I am making.

In the great potato empire of Aroostook County in the State of Maine, we have portrayed for us the all-too-usual example of the farmer being exploited by a railroad transportation system controlled by the financial interests of Wall Street. Here, in a county which at one time was the second greatest wealth-producing county of the entire Nation, we find farmers and potato producers literally driven to the wall by exorbitant costs of transportation. One railroad has been able to operate through this area and wax fat on profits while the producer of real wealth, the potato farmer, has taken the rap and today stands as a dramatic illustration of the results of monopolistic exploitation by an entrenched financial control of the railroad transportation system of this community. The Bangor & Aroostook Railroad, under

the financial domination of a New York investment banking and securities-brokerage corporation, has operated for years, extending its monopolistic service to the potato farmers of Aroostook County. It has operated wholly intrastate and, although presumably under the regulations of the State public utilities commission, has, in my opinion, written its own ticket for the most part. It has charged high rates for the transportation of potatoes out of this region and has charged higher rates for taking back to the inhabitants of Aroostook County from the rest of the Nation those commodities which they had needed and used. The Bangor & Aroostook Railroad is one of the few railroads of the Nation which, because of its peculiar operation and because of its peculiar monopolistic position in the transportation field, has been able to meet the demands of its financial control because it has had no competition from other modes of transportation. It is true that the advent of the truck did cause some little disturbance to the financial manipulators of this natural railroad monopoly, but since 1935 the Motor Vehicle Act has been quite effective in handicapping this type of competition. So it is that the usual picture of financial exploitation has been developed and the farmer-producer has paid the bill and is now flat on his back.

But, within the past year, two young men, realizing the possibilities available for a venture in water-borne transportation of potatoes from Aroostook County to markets in New York and along the Atlantic Seaboard to the South, started with a relatively few dollars of capital to establish a coastal service for the distribution of this commodity. They purchased an obsolete fishing vessel of the beam-trawler type, solicited cargoes from the potato growers of Maine and began to transport these potatoes to the Eastern Seaboard. As a result, the Bangor & Aroostook Railroad immediately petitioned for a schedule of lower freight rates for potatoes although they had previously denied that they could operate on a lower schedule. This was granted and today, as a result of this venture of these young men in this field, we find the producers and the consumers of this area benefited. Now, then, the point is, that if this legislation which we are today considering had been in effect when these young men visualized the possibilities of this operation, there would have been no such operation and the old freight rates would still be in effect. I say that there would have been no such water-borne competition for the Bangor & Aroostook Railroad because, under the provisions of this bill these potential business men would have been compelled to file their application with the I. C. C. for a certificate of public convenience and necessity and this certificate would have been required before these young men could have started. Naturally, it is easy for a person to contemplate and appreciate the strenuous objections on the part of the Bangor & Aroostook Railroad to such an application. We all realize the delays which would have occurred in the granting of such a certificate. We all know the time that would have elapsed while hearings were held before the I. C. C., while briefs were filed, while arguments in opposition were made by highly paid railroad attorneys and we all know the tremendous expense which would have been necessitated on the part of these young men before they could have even started on their venture. Frankly, Mr. Chairman, if this bill had been in effect at the time these men had this typical American vision of making their way in the commercial world, they would not have been able to extend to the farmers of Aroostook County this valuable service during the past year. This example, briefly outlined, is only one case of thousands of similar cases that exist today and will come into existence tomorrow provided that this legislation is adopted. As a matter of fact, I am advised that a group of individuals has already considered a similar development of water transportation in the potato area of Aroostook County and stands ready to finance a modern streamlined refrigerated service for this purpose. They are waiting, Mr. Chairman, to check the final results of this pending legislation because they realize that the necessity for obtaining a certificate of necessity and public convenience may well be the millstone

which may too heavily weigh down their hopes and aspirations for the inauguration of such a venture. They know that railroad attorneys obstructing such an application for a certificate before the I. C. C. can delay them almost indefinitely. It is my honest opinion that the inclusion of water carriers under the regulating power of the I. C. C. will seriously impair the possibility of this great development in the transportation activities of our State and the Eastern Seaboard.

The trucking interests, particularly the small operators, in a similar manner have felt the restraining hand of the I. C. C. during the past few years and the maritime and water interests will feel that same paralyzing effect if this legislation is adopted. Certainly today in this country we do not wish to close the door to the youth of our Nation who should have the same opportunity to engage in the water transportation field as we and as our fathers have had. This legislation means the end of small operations in the maritime industry. I submit to you, Mr. Chairman, that every move which has been made during the past several years in the Congress of the United States has been effective in strangling the initiative, the opportunity, and the chances for a man with small capital to start in any field of commercial activity and this holds particularly true of the transportation field.

Additional opportunities by new operators to engage in trucking are seriously impaired. Maybe this is justified because of the so-called chaotic condition of trucking operations before the Motor Vehicle Act was adopted. I do not know whether or not this is true, but this is the representation of those who sponsored and supported the Motor Vehicle Act. But certainly no such chaos or confusion exists today in the maritime industries. The same arguments that led to the adoption of the Motor Vehicle Act certainly do not apply to water-borne transportation as it exists today in this country. If this bill passes with title II included as it is now written, it will be black Friday, indeed, for those who have the ambition, intestinal fortitude, and a few dollars to engage in water-transportation activity.

Mr. Chairman, a communication dated July 17 from the American Trucking Association, Inc., of Washington, D. C., indicates that today will be noted as "black Friday" for the trucking interests of this country, provided that language originally used in this bill, which is to be deleted for the time being, as I understand, is incorporated once again when this bill goes to conference. Can anybody doubt after he has read the original language of this bill that the railway express agency was given the right-of-way in intercity operations over all other trucking interests? Why was this the fact? Why was the railway express agency—a railroad affiliate—granted such an extension of privilege? Naturally this is a railroad-management bill and naturally we can expect that other language in this bill has been designed to give other activities of the railroad industry an extension of privilege and of discrimination against other modes of transportation.

Of course, this language granting the railway express this advantage has been temporarily deleted as a sop to the trucking interests of the country, and I certainly am pleased that this growing type of transportation has been able to exert the influence necessary to obtain this proposed deletion. But those who are guarding the destiny of the trucking interests fully appreciate the fact that they cannot rest easy in this present deletion because it is only a matter of time when this approach will be made again by the railroad-management lobby, and once again legislation will come before this House granting to the competitive railway express a privilege and an advantage over the other trucking interests of our country. So, indeed, it was black Friday for the truckers of the Nation as they realize this attack which has been made upon their interests and which doubtlessly will be continued when the conferees meet to discuss further this legislation.

And then, Mr. Chairman, as one scans the provisions of part III of the bill, which outline amendments to the Reconstruction Finance Corporation Act, there is certainly evidenced



the fact that this was black Friday for the taxpayers of our country. Here we find provisions making it possible for the R. F. C. to aid by loans or by direct purchase in the financing, reorganization, reduction, or readjustment of principal or interest charges of the railroads of America. Here we find that a Government agency is authorized to make loans to railroads or their receivers or trustees for the purpose of purchasing the financial obligations which are now on the financial markets of the United States. In other words, any of these securities which may be purchased which do not liquidate themselves by repayment will eventually be paid for by the taxpayers of this Nation. The depreciation of these obligations has been a vital loss to the investors of our country, and now the taxpayers are called upon to make loans for the purpose of repurchase of these obligations and depreciated values. If these values depreciate further, the taxpayers and the investors once again as taxpayers must pay the bill. Financial and legal exploitation of the railroads of this Nation is so well known and so well established that further words are unnecessary in this connection. Certainly this Congress should not be called upon to aid and assist further in this financial debauchery.

For these reasons and many others, Mr. Chairman, I am opposed to this bill.

The statements have been made that title II is necessary because chaos and confusion exist in the water-borne transportation; because water commerce is not now regulated; because we need a coordinated and unified regulatory system of transportation. As a matter of fact, confusion does not exist; water commerce by water is regulated for the most part and that which is not is willing to be regulated by the Maritime Commission. Why do we need a unified system of transportation? Who is asking for it? Who demands this legislation other than railroad management? Unified control means higher rates, higher cost of living, more unemployment, loss of opportunity for those with the ambition and vision to establish new transportation ventures.

It has been stated that intercoastal and coastal interests have asked for the bill. I am told that the Eastern Steamship Line of New England, the Merchants & Miners Transportation Co., operating out of Boston and other shipping concerns have joined in this request. That is most easy to understand when one realizes that a partner of Hayden & Stone, investment bankers of Boston, is a director of the Eastern Steamship Lines and at the same time is vitally interested in the Boston & Maine Railroad. I do not know whom the Merchants & Miners may have as directors on their board interlocking with railroad financiers but it is most probable that some such affinity of interests exists. The only requests of shipping interests for regulation under this bill doubtless come from similar interlocking interests and financial combinations of that character.

Certainly farmers have not asked for the legislation and for the most part know nothing about it. The National Grange, through its national office, opposes it.

Certainly shippers have not asked for it and when they find that rates will be increased as a result of it, will condemn any Member who votes for it.

Truckers, maritime labor, and a large segment of the Railroad Brotherhoods' membership have not asked for it and are opposed to it.

No person, except railroad management, Mr. Chairman, who fully appreciates the eventual effect of this bill wants it, and by the same token all such strongly oppose it.

Therefore, because it will reduce railroad and maritime employment; because it will raise transportation rates; because it will stifle any further development by the small fellow in water transportation; because it will use the taxpayer through Reconstruction Finance Corporation to finance the repurchase of depreciated railroad debt; because it will serve to assist one type of transportation at the expense of another, I am opposed to this legislation at this time. Let us make this past Friday a good Friday rather

than a black Friday in our legislative annals by determining to kill off this bill.

Mr. LEA. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. ZIMMERMAN].

Mr. ZIMMERMAN. Mr. Chairman, I have the honor to represent an agricultural district. The east part of my district is bounded by the Mississippi River, and when we started the discussion of this bill I was inclined to be opposed to it, but after reading the provisions of the measure and listening to the arguments I am convinced the committee has done a wonderful job in bringing to the Committee, and I hope ultimately to the House, this splendid, coordinated plan of transportation which will inure to the benefit of the entire Nation in the years to come. It seems to me that our transportation problem has reached the point where we must consolidate all forms of transportation, abandon regulation altogether, or resort to Government ownership. The only logical solution is to place all forms of transportation under one regulatory body, the Interstate Commerce Commission. It appears to me that the arguments against the bill are based upon fear of something that may happen and distrust in the honesty and integrity of a great governmental body, the Interstate Commerce Commission.

Therefore I shall support this bill, because I believe it is the only solution of this very difficult problem that confronts us.

[Here the gavel fell.]

Mr. LEA. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. CROSSER].

Mr. CROSSER. Mr. Chairman, transportation has been called the circulatory system of commerce.

Commerce would be impossible without it.

Transportation must be over ways or roads which are the common property of all the people. If they were private property, commerce could be obstructed and prevented. All roads or ways, whether of one kind or another, are held and must be held in trust for the benefit of all the people.

The equal benefit of highways, canals, rivers, and railroads can be assured to the people in only two ways. They must be either regulated in the common interest or they must be publicly operated for the benefit of the people. At this time we need not discuss the relative advantages or disadvantages of the two methods since regulation is at present the accepted public policy.

My colleague on the committee, Mr. WADSWORTH, inveighs against interference or regulation on the theory that it is an improper and therefore unjust interference with individual effort and freedom. The assurance of the greatest possible freedom of individual effort and initiative in the use and management of private property I approve.

Highways and roads are not, however, private property, and that fact and that distinction must be kept in mind in any consideration of the subject now before the House. Since canals, highways, rivers, and railroads are public highways, they must be so utilized as to assure as far as possible to all of the people equal rights in the benefits of the same.

In fact, it is only by control of transportation agencies by the public in order to assure all the people equal opportunity on equal terms, that private efforts and private business can progress and thrive and commerce develop.

Regulation is one form of operation by the public. The public stipulates certain duties and conditions to be observed by the persons entrusted with its property, the different kinds of highways, just as it places certain obligations upon a person to whom it pays a salary to operate such property.

Now those who do the actual work of operating agencies of transportation of whatever kind are important factors in the business. The safety of the traveling public, and the care of property requires that competent and intelligent persons shall operate the motive power and guide the instruments used in transportation. Proper working conditions and just compensation for service must prevail in order to attract to the service such competent and intelligent persons as I have mentioned. On the other hand, inferior mechanism and less-

skillful workmen could be employed to operate similar agencies of transportation. In such cases, however, the degree of safety to both passengers and property would be greatly lessened. If allowed to continue uncontrolled and unregulated they would not only jeopardize the safety of passengers and cargo but would also drive out of business those who endeavor to observe the requirements for efficient and safe operation of transportation agencies.

We are told that the regulation of waterways would retard the development of transportation thereunder. That same argument was made in the past in regard to the operation of railroads and yet no one would think of saying to the railroads, now do just as you please. It seems to be assumed by the opponents of regulation that those who are to be entrusted with the duty of regulation would be persons of neither intelligence nor enterprise, and therefore would be unable, if not unwilling, to provide for a proper and prompt development of such agencies of transportation.

As already stated, the use of any kind of highway must be subject to public regulation, either through the public's own direct action or as applied to private persons entrusted with the management of such agencies. The more complex becomes our civilization and the more concentrated becomes the population the greater the need for rules of traffic. If we are to regard the means of transportation as the circulatory system of commerce, certainly there must be a power, as in the body, to assure the natural and proper circulation. Proper regulation must prevail in all of the agencies of transportation in the interest of justice to all of the persons engaged in such particular line of transportation.

It is true, of course, also that as between one kind of transportation and another, the same principle applies. If we are to encourage highway transportation for example, and provide for regulation, from the standpoint of the public welfare, certainly the same principles should apply to water and railroads. To compel any type of transportation agencies to observe sane methods of operation and to provide fair conditions for employees engaged by them while allowing all others to run riot would simply mean that you destroy the agencies compelled to follow proper methods and to provide proper conditions for those actually doing the work.

If we compel the greatest agency of transportation in the country, namely, the railroads, to observe as far as possible standards of modern civilization we should not allow other types of transportation to disregard all such standards. If we should do so we shall not only wreck and destroy the main agency of transportation in the Nation, but ultimately destroy private industry, commerce, and even the unregulated kinds of transportation themselves. Transportation agencies must be considered as a whole in order to be properly operated. That being true, there must be a single authority exercising jurisdiction over all. There should be a single authority for the reason that we should have one kind of judgment, one interpretation of the principles which are applied to regulating all forms of transportation. To do otherwise is to apply one standard to this and another standard to that form of transportation according to the conceptions of the different regulating authorities.

Nor must it be assumed, for a single moment, that regulating the different kinds of transportation agencies requires the fixing of the same rates for each of the transportation agencies. Applying the same principles to the different kinds of transportation agencies in the matter of rate-making might, and very likely would result in entirely different rates from the standpoint of dollars and cents. That being true, we will find each agency of transportation carrying the particular traffic to which it might be naturally adapted. This is as it should be in any comprehensive system of regulation.

It has been urged, however, that legislation is now pending for the regulation of all waterways by the Maritime Commission and that the regulation there proposed, as far as rate-making is concerned, is substantially what is proposed in the present Lea bill. The Bland bill also proposes,

however, that a kind of board of arbitration be established to reconcile rates that may be fixed by the Maritime Commission and those fixed by the Interstate Commerce Commission for the other forms of transportation.

Now since the Interstate Commerce Commission has been in existence for 52 years, being the oldest regulating agency of the Government, thoroughly familiar with the whole subject of regulation, and composed of persons who have not only shown the ability but the desire to serve the best interests of the public, it would seem that instead of transferring their work to some new agency familiar at best with only one form of transportation agency, that the reverse proposal is better, namely, the transfer to the Interstate Commerce Commission of the jurisdiction over inland waterways. This would bring all of the agencies of transportation under the jurisdiction of experienced, able, and intelligent men. It would make sure that the same interpretation of principles would be applied to one agency of transportation as to the others, and that is the ultimate goal of just regulation. [Applause.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

That this act, divided into titles and sections according to the following table of contents, may be cited as the Transportation Act of 1939:

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- Sec. 7. Repeal of provision relating to raising rates reduced to meet water competition.
- Sec. 8. Pooling; consolidations, mergers, and acquisitions of control in case of carriers by railroad, motor vehicle, and water.
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- Sec. 17. Repeal of declaration of policy in part II.
- Sec. 18. Amendments to section 203.
- Sec. 19. Exemption of certain interstate and foreign commerce operations of motor carriers.
- Sec. 20. Amendments to sections 204 and 205.
- Sec. 21. Amendments relating to power of Commission to limit scope of motor-carrier operations.
- Sec. 22. Repeal of motor-carrier provisions relating to consolidations, mergers, and acquisitions of control.
- Sec. 23. New section added to part II.  
"Sec. 213. Allowances to shippers for transportation services."
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- Sec. 26. Repeal of section 3 (e) of Inland Waterways Corporation Act.

##### TITLE II—REGULATION OF WATER CARRIERS IN INTERSTATE AND FOREIGN COMMERCE

##### Sec. 201. Part III of Interstate Commerce Act.

##### "Part III

- "Sec. 301. Short title.
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- \*"Sec. 311. Temporary operations.
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- "Sec. 321. Existing orders, rules, tariffs, and so forth; pending matters.
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Sec. 202. Time effective.

#### TITLE III—MISCELLANEOUS

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- Sec. 301. Definitions.
- Sec. 302. Obstruction of navigation.
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- Sec. 305. Contracts for project; guaranty of cost.
- Sec. 306. Apportionment of cost.
- Sec. 307. Payment of share of the United States.
- Sec. 308. Appropriation authorized.
- Sec. 309. Failure to comply with orders; penalties; removal of bridge.
- Sec. 310. Review of findings and orders.
- Sec. 311. Relocation of bridges.
- Sec. 312. Application of provisions.

##### Part II—Rates on Government Traffic

- Sec. 321. Government to pay full rates.
- Sec. 322. Deduction of overpayments.

##### Part III—Amendments to Reconstruction Finance Corporation Act

Sec. 331.

#### TITLE I—AMENDMENTS TO EXISTING LAW

##### SHORT TITLE FOR ACT TO REGULATE COMMERCE; DECLARATION OF NATIONAL TRANSPORTATION POLICY

SECTION 1. The act entitled "An act to regulate commerce," approved February 4, 1887, as amended (U. S. C., 1934 ed., title 49, secs. 1-27; Supp. IV, title 49, secs. 3, 6, 11, 15, 18, 21, 22, 25, 26, 301-327), is amended by inserting before part I the following:

##### "SHORT TITLE

"This act may be cited as the Interstate Commerce Act.

##### "NATIONAL TRANSPORTATION POLICY

"It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, economical, and efficient service and foster sound economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof; and to encourage fair wages and equitable working conditions—all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of the commerce of the United States, of the Postal Service, and of the national defense."

Mr. LEA. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. JONES of Texas, Chairman of the Committee of the Whole House on the state of the Union, reported that the Committee having had under consideration the bill (S. 2009) to amend the Interstate Commerce Act, as amended, by extending its application to additional types of carriers and transportation and modifying certain provisions thereof, and for other purposes, had come to no resolution thereon.

##### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. COLE of New York—at the request of Mr. HALLECK—on account of death in family.

##### EXTENSION OF REMARKS

Mr. BULWINKLE. Mr. Speaker, I ask unanimous consent to extend my remarks on the pending bill by inserting therein part of the report of the committee.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a short address by Fletcher Padgett at Springfield, Ohio.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HOOK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a telegram with regard to the work-relief bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an address by Robert H. Jackson, Solicitor General of the United States.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

##### HULL'S PEACE FETISH

Mr. SHORT. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes and to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, our Secretary of State, Hon. Cordell Hull, is an able and a good man. For many years he served with high honor and great distinction in this House and in the United States Senate. When I first came to Congress 10 years ago, I learned to respect the man for his own personal qualities, and to admire his serene dignity. Notwithstanding my great admiration for him, I have never been able to accept the philosophy underlying the reciprocal-trade agreements. I was rather surprised that the able gentleman from Georgia [Mr. Cox], on one afternoon early this week stood here in defense of those treaties, because I think the reciprocal-trade program perhaps has done as much to rob the American cotton farmer of his market as any other one thing. I had hoped to answer the gentleman from Georgia at that time but it was late in the day and I did not desire to detain the House longer. I have here about an hour's speech. I do not want to inflict such punishment on Members at this late hour, but I have prepared it rather carefully and invite the attention of the membership to it, the title of which is "Hull's Peace Fetish."

Peace! Peace! Peace! The cry that Secretary of State Hull's reciprocal trade treaty policy is an instrument for world peace has been dinned into the American people so long that some of them, all unwittingly, are beginning to believe it. And yet there is no peace. Look at Europe and the Far East, and dare imagine the certainty of understanding and good will among men.

This propaganda in America, academically hooking up peace and trade, is reminiscent of that which inundated the country in 1916, and, curiously, under similar conditions. The Underwood free-trade policy helped initiate the Wilson depression. The executive branch of the Government used its powers of diplomacy secretly and arbitrarily to push us into the war in Europe at the very time it appealed for the sympathies of the people solely because of its pacific aims. We were pulled out of the depression all right, but at the cost of going to a war for which every man, woman, and child in America is still paying in countless ways.

Today we have the same situation in new spangles. Originally the main objective of the trade agreements was the promotion of American agricultural exports, which has been wholly unattained. As soon as Secretary Hull discovered that the purely economic objectives of his folly could not be achieved—owing to foreign resistance—he switched over to the emotional appeal for the sympathy of the American public in the word "peace."

Now his policy is the road to peace, notwithstanding that all Europe is arming to the teeth and millions of shells are now being dropped in China and recently in Spain—4 years after Mr. Hull's treaties have been initiated. It is ironical, incidentally, that the only appreciable increases in America's exports by virtue of the trade treaties are war exports.

The fact is that the reciprocal-trade policy, parading under the mantle of peace propaganda, is little else than emotionally clever. Some Americans, capable of the mass delusion that they were being invaded by Martians should be easy enough prey for the charms of the word "reciprocal." It has a sincerity, a magic all its own.

The word "reciprocal" means to make a return for something done or given, implying mutual exchange, or a return in kind or degree. But actually this particular reciprocal has exactly the opposite of its real meaning. Let me show a bit later on why this is true.

The essence of Mr. Hull's program is the necessity to depend upon consultation with foreign governments in bargaining for concessions on specific items of trade; that is, trading for reductions in tariff. Falling back on cognizance of the great American habit of winning its wars and losing its conferences, I contend that any conversations between our Government—especially as constituted in personnel at the present time—and others must be one-sided, and naturally injurious to our own welfare, and in the end to the welfare of others. We Americans have never demonstrated any marked ability as students of foreign trade, nor of our own actual and theoretical relationship thereto. Foreign governments, on the other hand, know what they want and—too bad for us—that we do not.

When two sides sit in conference on any knotty problem, one lacking full knowledge of the governing facts, and the other full of them, some result may be obtained, it is true. The temptation, however, for the side having the preponderance of possession of the facts to outsmart the other is generally too great for anything but dangerous result for both. An agreement may be reached and it may work after a fashion for a time, but in the end it collapses and generates problems greater and more difficult than the original. The classic example is the Treaty of Versailles.

If there were a remote possibility in the reciprocal trade agreement program that we Americans could come out somewhere near even in this conversational bargaining I would be in favor of it. That is but a sanguine hope, in my opinion, under the conditions which prevail.

In my work as a Representative I am often reminded that "ignorance plays the chief part among men." A great many of our legislators will admit privately that they did not know enough about world commerce intelligently to support or oppose the trade-agreements policy originated by our Lochinvar out of the South, Secretary of State Cordell Hull. In that respect they reflected a condition prevalent among the people, despite the fact that for years they have been reminded daily that the United States is the biggest single world-trader among the nations.

Regardless of the political weather of the moment the topic of American-international commerce consumes more space in the public prints than almost any other. It would be an off day, indeed, that batches of stories did not emanate from Washington, setting out figures, or some view or theory—often sheer propaganda—concerning this exchange of goods and services. We have a host of members in foreign-policy associations, international trade councils, financial organizations, export and import clubs, of bureaucrats, politicians, and academicians holding forth incessantly with shouts of their ideas of the meanings of world commerce.

All this ado, after all, is quite understandable and logical. International commerce is a vast affair, involving billions of dollars in annual turn-over, signifying the employment of millions of people at home and abroad, and the supplying of great sections of the world's population with the goods and services necessary for living. In point of fact, it is such a great and complicated affair that there are almost as many opinions about its proper functioning as there are authorities.

A legislator runs into the exponents of these conflicting opinions on world trade every day. At the present time they, in common with millions of their fellow citizens, gaze in unison toward the Washington horizon hoping there to find the reason for and, therefore, salvation from the depression calamities so inopportunistically visited upon us anew. Yet few seem to see that one of the important reasons for the depression might be found in the conduct of our foreign trade. Apparently these experts know too little about America's world commerce, which would be reason enough as to why it had been so successfully and persistently mismanaged. The public, meanwhile, having neither the time nor the patience to question and examine what is said about the subject, permit vague, high-sounding generalities concerning it to get by without serious challenge.

In this welter of loose talk about world trade from statesmen and economists there is, notwithstanding the lessons of the past 20 years, a woeful lack of willingness to really study some of the fundamental truths concerning it. In fact, one of the most striking phenomena of our times is the failure of our leaders to interpret the facts regarding world commerce, and to formulate sensible concomitant policies to make it work as efficiently as it might be made to. Rather there has been a remarkable preference, contributing absolutely to the present degeneration and decay in world political affairs, for various expediences to postpone the inevitable consequences of refusal to take account of the facts. The incredible and long-standing chaos in America's foreign-trade policies has resulted in a terrible loss of employment and purchasing power with its attendant psychology of despair not only at home but in foreign countries as well.

It is the movement of goods and services between countries which we call foreign trade which constitutes the soul of life. Anything tending to disrupt or prevent its normal flow obviously is harmful, the degree depending on the gravity of the disruption or prevention. The primary reason for international disputes attaches to the surrender of hunger to envy and hatred. We have been watching the near anarchy in Europe and the Far East for 20 years and have observed something of its reflection, in spite of our protective oceans, on our own economic, social, and political life. A sixth sense again warns us that a new great war, the possibility of which is with us every moment, holds more moral and material dangers for us, even if we, by some miracle, escape actually being in it.

Now we Americans, all the world knows, are profound lovers of peace both from selfish and altruistic motives. Few other nationals constantly put forward as much organized effort toward harmony and good will between nations. Characteristic American idealism, wishing to minister to the sufferings of a confused world, has expressed itself for three decades now in the spending of billions upon billions in charities abroad, as well as in the blessings of American schools, hospitals, and scientific institutions of one kind and another, and in the economic tools with which to attain better living standards. This generosity, rising to fantastic heights, has no precedent in all history.

At times Americans have, and rightfully, become obsessed with uneasy suspicions that their spontaneous emotions of generosity to peoples in other lands had been cynically exploited by the latter. Nevertheless, they still vaguely believe in the sincerity and logic of their public servants when over the radio and in the press the statement is made that world trade is an adjunct to peace. A good-neighbor principle, promising that trade will move freely between countries, keeping people contented and happy, naturally fascinates them with its idealistic appeal.

One might, unhesitatingly, say that the right international movement of goods and services is not just an aid to peace, but peace itself. But such a statement is the mouthing of a platitude which solves nothing. The attainment of perennial peace in the world is as likely as the total eradication of disease. However, if we approach the cosmic problem of trade in the same spirit of humility which we consider health, knowing that studied, careful moderate policy has the



best chance of reward in longevity, we may, if it should be in the divine scheme of things, inject into world commerce some of the morality it sorely needs.

The trouble with world trade as it now exists rests in its not actually being an orderly process of interchanging goods and money under strict economic demand and supply. It is economic and financial warfare arbitrarily promoted, and leading ultimately to the employment of armies and navies. To a man traveling and studying abroad it becomes increasingly apparent that expressions of good neighborliness, brotherly love among other nations and the similar phrases of diplomats are often pretenses, the dementia of excuse. World commerce has become a mad international scramble for markets, governed by the rule that "all's fair in war." In very truth, the governments behind this scramble have become chiselers of the first water. The traders, the economic exploiters, concession hunters, and diplomats are frequently fronts for the baneful influences behind the scenes of voracious hunger for more world trade, control of raw materials and outlets for production, promoting the feverish building of armies and navies for the protection of trade routes.

The unholy mess does, to be sure, call for the expert work of social science in various directions and the abridgment of old economic and political ways of behavior. For 150 years we in America have had peculiarly happy conditions of life, but times have changed. Unless we learn some sad facts these conditions will simply and imperceptibly vanish. While we want no entangling alliances, our paradise is not so isolated we can dismiss all other countries from mind. The world is getting too small to insure the well-being of any one nation without the cooperation of others, a reality with which even we, from a strictly selfish view, have to wrestle whether we like it or not.

Men and women in every land literally plead in their hearts that international intercourse slip its bonds of ignorance and stupidity. The world's finer minds call especially for trade policies to check undue dependence on force and the threat of force for prosperity. Why should not the more decent, the more like-minded nations, they ask, set examples to attract their weaker neighbors to sensible policies, to lessen the impulse behind their aggressions of the nations poor in resources by assisting them as much as possible to improve themselves?

In this picture America's influence is enormous, but sad to relate the public does not know what is going on. Perhaps the reason the public has been so apathetic to the problem thus far lies in the premise that it acquired a certain state of mind, inherited from the fact which has been existant from the dawn of our history, that we as a people enjoyed great self-sufficiency in natural resources and the means of their production—the skill of individuals—into usable wealth. It takes a long time to get rid of a state of a mind, but those good old decades of self-sufficiency and almost complete economic independence, however fervently we may wish them back, are gone forever.

Following the World War we have become more and more dependent on certain products of foreign countries. Our industrial technique and our increases in population and living standards caused new demands for raw materials from abroad—so much so that our imports of merchandise and materials rose from a total of \$880,000,000 in 1901 to the enormous figure of \$4,399,000,000 in 1929. By the same token, foreign countries became more and more dependent upon us for distinctive American products. Our exports grew from \$1,465,376,000 in 1901 to \$5,241,000,000 in 1929.

If one bears in mind that foreign trade consists of not simply the imports and exports of merchandise but also of the economic services imported and exported in terms of money, the physical imports and exports of gold and silver, and the movement of money by investments in countries, the subject of world trade is stripped down to its essentials. Without quoting the mass of statistics which prove the point, let me say that we have been selling ourselves short in our trade operations overseas, taking a net loss of great proportions.

Since the enactment of the reciprocal trade agreements policy into law, June 12, 1934, the United States made 447 reductions in duty on specific products of over a dozen foreign countries. It was said that as a result our exports would increase, and that such injuries as we would suffer in industry and agriculture would be offset by the benefits. But in reality while our imports of dutiable products increased between 1934 and the beginning of 1938 by 93.4 percent, exports of all United States merchandise increased by only 56.9 percent, according to official Department of Commerce figures. While the quantity of all our imports increased 52 percent during this period the quantity on the items on which tariff rates were reduced increased by 123 percent. But that is not all. In the meantime while foreign countries in certain cases gave us reciprocal-tariff concessions, they were nullified by their quota and exchange control policies.

The proponents of the reciprocal-trade agreements point with great pride to the fact that in 1937 our export shipments increased. But, do these reciprocal trade agreement admirers tell us that this showing would not look so good if we really examined it? Of course not. Running down the list of these increases we find great impetus in iron and steel scrap exports; in pig-iron shipments; in steel ingot sales, and so forth. Aircraft, parts and accessories, automobiles and parts, and a host of other implements of war accounted for the additional increases. Is anyone so naive as to imagine these upswings are due to a sudden return to normal mass demand abroad for American products of this kind? Who in the impoverished debt-ridden rank-and-file population of Europe buys these things? Why, naturally, the governments, or government subsidized or controlled interests.

Is it any wonder that anyone close to legislation which reaches into the disposition of our lives must of necessity get sick of the false preaching that our peace is dependent upon all ill-conceived foreign-trade policy? It demands no perspicacity to draw the connection between this sort of propaganda and the fact that our National Congress ponders the building of a naval force of the size no nation has ever dared to contemplate. It is a sad commentary on our affairs that this prating of the peace that comes out of the reciprocity agreements makes no mention of the signal fact that there has been no great revival in our export trade because of these agreements, beyond exports of the implements of war.

Nor will the advocates of the reciprocal-trade treaties tell us a great deal about the effect on our national welfare of the increase of hundreds of millions of dollars in our 1937 imports, including iron and steel, tremendous amounts of corn, barley, cattle, cotton, meat and meat products, all things with which we could inundate the world. Anyone grounded in arithmetic, and particularly one who has observed life abroad, knows that the production of every sort of product in foreign countries is literally sweated out of their people. We in America pay wages from 2 to 400 percent in excess of those paid abroad. The connection is obvious: The Hull program permits foreign nations to pay us in their sweated products, since they cannot give us gold for our exports of oil, steel products, nitrogens, sulfur, and similar accoutrements of war.

We do not realize—because no one takes the trouble to point it out to us—that our exports of goods represent the high-dollar value f. o. b. United States, whereas the figures for our imports represent the foreign value. This latter value does not include ocean insurance, freight, duty, importers' profits, and selling expenses. It is this low foreign value which compares with the high-wage and high-cost American valuation of exports, including profits, taxes, and so forth. To get at the real analysis of where we stand on these transactions we would have to multiply the figure of imports by at least the factor of two, according to experts. The picture then would reveal the American people paying out over \$2,000,000,000 more in 1937 than they took in on the movement of goods alone.

The reciprocal trade treaty proponents counter that since we are a creditor country this is exactly the end desired.

The theory is that the only way foreigners can pay us what they owe is by shipping us their goods. I venture the view that at the present time we are a creditor nation on paper only. If we really are, it is exceedingly doubtful whether we can ever collect. But assuming that we can stand this loss of \$2,000,000,000 in the exchange of goods, can we in addition stand the further loss of millions of dollars which our tourists expend abroad every year, which we pay out to foreign shipping countries for their freight services to us, in our immigrant remittances, and so on? I seriously question that we can.

Again, if these losses were not sufficient to break down our possibilities of prospering, what about the more serious question of labor displacement which results when we import goods which we make or grow ourselves? If we import \$1,000,000 worth of chinaware from Japan and sell her machinery and scrap iron worth \$2,000,000, we in effect also import \$600,000 in Japanese labor. The million dollars' worth of chinaware would contain 10,000,000 hours of Japanese labor at 60 cents a day. The American chinaware workers, getting 60 to 75 cents an hour, could not claim their jobs very long after this million dollars' worth of Japanese china reached the American market. There are, in fact, 5,000 chinaware workers in Ohio out of work now, and will continue to be, so long as the foreign product has free access to our market. Certainly the \$2,000,000 we received for the machinery and scrap iron sale to Japan cannot counteract the unemployment loss in American factories to which it contributed.

It may be argued, to stretch a point, that in periods of prosperity the United States can withstand this kind of short selling without irreparable damage, because of our resources. But now, in this new recession, the dangerous relapse after a severe economic illness, it is highly speculative as to whether we can pull through safely unless we radically revise our policies on world trade. The cumulative effects of our consistent foreign-trade losses through the years are such as to make its study and solution as imperative for immediate needs as balancing the Budget. We cannot go on sustaining a loss of well over a billion dollars a year, which is the actual excess of our imports over our exports of merchandise, of additional losses through gold and silver movements, and still more losses because of the huge excess of our expenditures abroad for services to our tourists and services to our business by foreign shipping companies over similar foreign expenditures in the United States.

The most important point of all is that if the countries to which we make tariff concessions do not fully reciprocate, in the long run they are damaging not only the people of the United States but their own nationals as well. Their economic systems, catering to the politics of armament, are purely artificial, and it is only a question of time before such trade intensifies the inevitable depression, sucking into its wake a thousand other social evils that cannot live in the sunlight of peace and understanding. I visualize this danger in other countries more significant than the material loss that we entail.

Now, while I am constrained to applaud Secretary of State Hull for explaining to the American people that they no longer enjoy the economic isolation of the pre-war epoch, I am far from happy over his bland assertions that his reciprocal-trade treaties make for peace. At least it seems utterly fantastic anyone could make the sweeping generalization that world peace is contingent upon the sacrifice of American industries by tariff concessions to foreign countries without compensating return, such concessions being theoretically the heart of the reciprocal-trade treaties. In effect, the good American people are asked to sacrifice their resources again for the sake of a decidedly nebulous international peace. I have no doubt many of them would gladly lay down their lives, if only they saw the promise that genuine international goodwill would ensue. In the light of past experience, and the war clubs now being brandished abroad, there is overwhelming doubt that such generous sacrifice would be of the slightest value.

Accordingly, the only conclusion to be reached is that the reciprocal-trade treaties are destructive in policy, heading us for endless trouble in the manner that the peace treaties of 1919 placed us in the turmoil in which we live today.

Upon due reflection one is struck with the stark similarity which exists between this latest peace-marking effort of Secretary of State Hull and those which were instituted in our age of "normalcy"—the 1920's. At that time we were led to believe that investments in and trade with foreign countries were imperative to our national husbandry. We poured billions into Europe alone for governmental purposes, industry, and trade. We achieved a \$5,000,000,000 export trade, and simultaneously became the world's largest buyer of the necessities from abroad which we could use, to the tune of four billions or so annually. But our peacemakers of that day ignored the realities of Europe's politics and economics. European insecurity and dispute, which we could not appreciate fully because of our own happy circumstances on this side of the Atlantic, caused the flight of European capital—much of it composed of American loans as well as of American payments for foreign goods and services—to the United States, contributing materially toward our inflation. With the 1931 collapse in Europe, this European capital was heavily withdrawn, acting as a powerful deflationary force, and helped to precipitate the national headache of 8 years of depression still with us. Unintelligent meddling in the finances and trade of foreign countries brought us disillusionment, cataclysm, and paralysis.

Nevertheless, this sad ending still staring us in the face, here we are again with our reciprocal-trade treaties, giving the same old aid and comfort to foreign countries, but in a more dangerous form. From 1921 to 1929 we sold \$42,000,000,000 worth of goods abroad, sales facilitated by the credits which we extended foreigners. The losses on these loans, at least, gave us a form of cheap unemployment insurance, for during all that time we had full employment in the United States.

If there be grounds for criticizing a policy for keeping up employment by a great export trade built on the contingency of extending credits to our customers only to have it collapse one day, what can be said for the policy of the reciprocal treaties whereby our unemployment is increased by excessive imports of competitive products and we receive no compensating return in appreciable healthy increases in exports?

Foreign customers are not buying much more of our goods for the simple reason that they are more nationalistic, if anything, than they were in the 1920's, and that we are extending them no credits. The additional money they receive from Americans because of increased sales to us of competitive factory and farm products is not being used for greater purchases of our goods. As in former days the money is being used for speculation in our investment securities and holds nearly the same power over our credit which it held in 1931, the reason being the only change that has occurred in economic and social conditions abroad is greater instability and confusion. The difference obtaining, so far as the basic effects on our economy are concerned, between our former policy of lending our customers money to support a \$9,000,000,000 foreign trade, and the present one of excessively increasing imports to subtract from our employment, seems to be one of degree. Of the two evils, perhaps the losses on loans would be the preferable, for unemployment is the prime breeder of civil disorder and strife.

It so happens that nowadays we are not minded to, and cannot by law, lend very much money abroad. The reciprocal trade treaty theory, therefore, would increase our exports and employment by increasing our imports.

The only way we can increase imports, since we are always large buyers of raw materials, is to step up our importations of products competitive to those grown or manufactured in the United States. This naturally breaks down the price structure in the American industry affected. Foreign products are made or grown by labor of long hours,



harsh conditions, and are often given rebates or subsidies in one form or another by the government of the country in which made. When such articles come into the United States and undercut our products we must lower the price, disproportionately to actual value, which reflects high wages and living standards, taxes, and exceptional quality of product. The margin of profit becomes low or disappears altogether, in turn causing shut-downs, unemployment, and resultant economic distress.

It is curious but true that American industries most harmed by imports of competitive products have no appreciable export market. On being forced out of the American market, their unemployment is absolute. Meantime, our industries which export (few of them export more than 5 to 7 percent of their production) could not exist were it not for the demands at home on their production. Consequently, any unemployment due to lack of export trade is merely relative.

Again, there is coincidence in the fact that the most rabid American business supporters of the reciprocal treaties are the few and powerful who have profitable export markets, but no foreign competition in their own domestic market. They happen to be in specialized lines which admit of no alien competition because of their technique, requiring a vast domestic market to lower costs. It is these few who are still dreaming of that five-billion-dollar export velvet. It is amazing they do not realize that the way this colossal trade was conducted was not a healthy state of affairs for the Nation. These exports minimize our enormous chronic deficit in our international operations, it is conceded, but not sufficiently to offset our folly in flooding the world with billions of dollars (exclusive of loans) in our tourist expenditures, our immigrant remittances, the charges we had to pay for foreign shipping services, and other items entering into the financial aspect of our international relations. We wasted these staggering sums of money because of an abysmal ignorance in international dealings, and thus brought on the present hardships and sufferings of our people.

Even American enterprises which have an export demand of considerable proportions, but which are also subjected to the competition, in the United States, of foreign products by virtue of the reciprocal treaties, find the net outcome to them very baneful in price losses and employment. In the final analysis these losses are peculiar, therefore, both to the industries having no export and to those who have.

The reciprocal-trade treaties falsely assume that American tariffs compared with foreign have been inordinately high. This narrow-brained, inaccurate basis for the reciprocal-treaty program permits a surreptitious downward revision of the American tariff, bear meat which foreign nations go for. The truth is, incredible as it may seem, our tariffs, relatively, have not been high at all. For years the schedules have provided free entry to nearly 67 percent of our import items, while foreign nations have resorted to every device known to man to keep out foreign goods, especially American, from their boundaries. If all the world resorted to the philosophy of extreme nationalism, and Americans remained aloof from it by permitting the world to dump their goods on our market, I should say we would be fools deserving whatever dire consequences ensued.

The American tariff of 1922 followed in fear, rather than fostered the high trade restriction policies of European countries. They were bankrupt, and they naturally did not want a plethora of goods from us which they could not pay for. We blithely ignored this fundamental, and proceeded to high-pressure them, lend them money so they could take the excess of our production which had been geared up for war purposes, and which we were unwilling to gear down to common-sense peacetime needs. We had simply an inflated idea of our importance in the world-trade scheme, and imagined that efficiency, quick turn-over, machine skill would indefinitely remain an American monopoly. Instead of trying to maintain our exports somewhere at levels dictated by rock-bottom national necessity, in which 95 percent of our production is consumed at home, we went export mad.

The American tariff of 1922 was faulty, however, in one great respect. It put up certain barriers against foreign merchandise without considering that realignment in international commerce had taken place. Costs of production in all European countries had increased. Though American costs likewise increased, Congress failed to perceive the very low production costs of several countries, notably Japan, not involved in the international debt structure of the war. The standards of living in these particular countries were much lower than those prevailing in European countries. Both our major political parties followed the mirage of applying uniform tariff increases, affecting certain commodities to all the countries of the world.

We should have applied increases first to the products of those countries where costs and standards of living were below the world average, and preferential treatment should have been accorded to others. Such consideration would have greatly pacified most European countries, and Americans would have disarmed both Europe's walls for debt cancellation on the ground that our tariff discriminated against their goods, and escaped the infiltration of cheap merchandise from the Orient.

European politicians naturally perverted to their own uses the basic significance of our muddled tariff thinking and our avidity to increase exports. They played on our theories with the subtle propaganda, looking always to debt cancellation, that the American people must become import minded as well as export minded. This was a Machiavellian stroke of diplomacy which had the psychological value of putting the onus of the world's trade troubles, in the eyes of the European public, on the United States. The truth was that the United States was the world's largest buyer of raw materials, with average annual imports constantly increasing.

But the invisible items of our foreign trade, our immigrant remittances, insurance payments, tourist expenditures, payments for foreign shipping services, amounted to hundreds of millions of dollars annually, items which affect our favorable balance of trade to the immense advantage of foreigners. Of course, the Hawley-Smoot Tariff Act of 1932, although 65 percent of the import items remained on the free list, caused a new storm of European criticism, our brethren in America who saw their exports falling and our politicians seeing an opportunity to pander to this criticism, gladly joining. But I believe the Hawley-Smoot Act was the first real attempt in our history to take the tariff out of politics. It gave the President power under the recommendations of the Tariff Commission to decrease tariff rates where investigation showed an actual injustice was being done to a foreign product under our law.

I have the feeling, too, that President Hoover was personally against any tinkering with the tariff, and he was well aware that political gangsters and special interests sought to put him on the spot by slightly increasing certain rates on import items from abroad. When he signed the Hawley-Smoot bill he hoped that the provision in it for decreasing the tariffs where justice demanded would give him the leeway he needed to fight propaganda, centered on the psychology abroad which clever, unqualified mention of United States tariffs could arouse. But before Hoover could give this provision the effect of constructive action other political issues overwhelmed him.

So it was that the reciprocal-trade-treaty program strutted on the Washington stage. The Democratic high command did not dare, directly, repeal the Hawley-Smoot law, but by the indirection of the Hull trade treaties accomplished something of the desire of the European sirens preaching the leveling of American tariffs, and of selfish American interests considered vital to the fortunes of self-seeking politicians and bureaucrats. By these treaties, gifts of tariff, cuts are made to extend to all favored-nation countries—virtually the world—without even the constitutional formality of ratification by our Senate, and in effect abrogating the tariff-making power of Congress.

I see honest differences of opinion among Americans as to the probable results of moves designated to improve and maintain our national and international position. These

are inconsequential as compared with the differences in viewpoint between those who consider the question of our strategy rationally, affecting America and the world as a whole, and those motivated by the personal and selfish, or the well-intentioned visionary, interest which longs for a world condition of social and economic harmony while living in a world of ruthless fact.

The contention that in addition to the imports of raw materials, an enormous trade in itself, we ought to import manufactured wares and farm products made or grown abroad cannot stand still another analysis. Specifically expressed, if we import raw silk, of which we are large buyers, for our silk-goods production, the reciprocal-treaty advocates say we do not go far enough. We ought also, according to these extremists, import silk manufactures. It stands to reason we must either cut out our imports of raw silk, if we allow silk manufactures to come in and put our silk-goods plants out of business, or we must stop imports of products made from silk. We cannot do both—import raw silk and at the same time invite the competition in finished silk of the nations who furnish us with the raw material.

In answer to this situation, the favorite argument of the experts on reciprocal-trade treaties is that if an American industry is "inefficient" it deserves to succumb to the onslaughts of foreign competition. The definitions of efficiency are, of course, carefully avoided. But what this point amounts to is the condemnation of nine-tenths of American industry and farming because of high costs and living standards. If efficiency means consequent low standards of living and low costs, I propose that my reciprocal trade treaty friends are playing with dynamite in suggesting that such standards are ideals for Americans to follow.

The present confusion in America with regard to the problem of world trade, traceable to the inexperienced in high places and to vested interests, is symbolized by the hue and cry of extreme nationalists, who bellow that self-contained America ought to forget all about foreign trade. Our science, according to them, can make it unnecessary to import a single commodity of any kind. Science has not yet made us independent of foreign materials, and in order to pay for them we must export. Were it desirable or possible to refuse to import, we would be more vulnerable than we are now to the bitter envies and hatreds of the nations.

Extreme nationalism or internationalism based on hysteria and prejudice both lead to war. Only that nation wins the respect of its neighbors that knows its economic facts and thus can insist on being treated fairly. With America, the vital problem is the protection of its standard of living; so inextricably a part of our foreign-trade problem, it is above all controversy. Next to liberty their living standard is the most precious thing Americans have and is the direct result of that liberty. As our living standards become lowered by excessive imports of cheap merchandise and farm products, it will be most difficult to restore the loss. Every step taken to decrease that standard means simply that we are giving up also some measure of our independence. If we lose part of one, we just as surely lose part of the other. A declaration of policy that we stand ready to protect our standard would serve as the best possible check against any international attempts to take advantage of us and lead the nations of the world to practice honest cooperation, requiring mutual concessions to secure mutual benefits.

At this point it is well to remember that the world at large is more indebted to the United States than vice versa. While men have ever surged back and forth striving to secure the good things of life, no people have so tremendously and consistently played the good Samaritan to others as have Americans. We ought to be considered as practical contributors to world peace for the still greater reason that if we practiced the imperialism which our vast resources dictate we could very nearly rule the earth. Imagine what would happen if as a people in whose borders alone half of the business of the world is done we took the notion to really exploit the world markets. All our businessmen and bankers would be trained in international trade and finance; our

diplomatic staff would be increased aggressively; our Army and Navy would be built to several times the present size. With such a combination, no group of nations could prevail against the power of the United States which, practical economists know, can support twice its present population with ease.

Thus the annual import into our country of a billion dollars or two of products over and above our necessary imports of raw materials can have only one possible result if the wrath of Americans in the past over public questions is any criterion. As soon as they find out what additional losses they are called upon to sustain in favor of nationals abroad and the social consequences to American life their sentiment of human sympathy for foreigners will again be transformed into the violent passion of resentment. Overnight Americans will go to extremes and demand really high tariffs. The foreigners who had been allowed by our peacemakers to build up a tremendous stake in our market will naturally become angry, and there is your risk of war. In that event the pity of it would be that America's dreads and suspicions would serve to postpone indefinitely the day when Americans, without whose aid no formula of peace is considered to be possible, would be willing to use their good offices to persuade the nations to modify their warlike policies and purposes with some hope of success.

The exercise of moderation is the key to the problem of world trade, as it is in all the problems of living. We Americans should promote our exports to the highest possible level without mortgaging our future in foolish extensions of credit abroad. If, when, and as we resume loans abroad, we ought to provide that their proceeds are used for productive enterprise. In reciprocity we would buy all the foreign raw materials we need and only such competitive and farm products as are produced on a basis comparable with the American and which are at least as good in quality and utility.

The constructive steps we could take to improve our world trade and earn the respect of our neighbors are several. First, scrap the Reciprocal Trade Agreements Act and make two-way treaties with individual nations through Congress. Secondly, through the Tariff Commission the Government could prevent pressure groups at home from inflicting outright injustices on deserving foreign products by extreme tariffs. Next, our Government must perceive that circumstances demand organized scientific assistance to American exporters and importers engaged in world markets, since they are in business as individuals finding they have to compete in world markets against foreign governments, which either subsidize their individual producers or themselves maintain monopolies of various kinds.

At one time—it was seriously curtailed in 1933 "for reasons of economy"—we had a Commercial Attaché Service, which the British commended as the finest body of economic diplomats in the world. This service, in spite of exchange regulations, formidable tariffs, clearing agreements, quotas against trade, did yeoman work for 12 years in promoting and protecting American interests in world trade. Incidentally, foreign government officialdom and business made beaten paths to the doors of these attachés of ours, seeking their knowledge and advice. Today, every Government considers its own commerce attaché service, copied after the American pattern, a most valuable arm in its world-trade work. We must have equality in this form of representation abroad again. Until we do, foreign governments know we are handicapped in the gathering and application of the perishable facts of world economics, and can therefore beat us in any conference.

World trade has its place in the economy of every important nation. It cannot continue to consist of a chaotic scramble for markets. A definite determination by our Government, after careful study of how much and what we can import and export, not injuring the American farmer and manufacturer, would do more to point the way of peace to nations than all the treaties of any kind put together. Foreign capitals would then realize that at last America had grown up, become really world-trade conscious, and given up



its amateurish dabbling in one of the most important features of our national life. That knowledge alone is the key to any contribution we can make to world peace. [Applause.]

#### EXTENSION OF REMARKS

Mr. CULKIN. Mr. Speaker, I ask unanimous consent to extend the remarks I made today and include therein certain exhibits to which I made reference.

The SPEAKER. Is there objection?

There was no objection.

Mr. CHANDLER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include resolutions adopted by the Tennessee delegation in the House on the death of our late colleague, Sam D. McReynolds.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter I received as chairman of the Expenditures Committee from the Home Owners' Loan Corporation, and also a memorandum enclosed in that letter.

The SPEAKER. Is there objection?

There was no objection.

Mr. HAVENNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a radio speech delivered by the Secretary of Labor.

The SPEAKER. Is there objection?

There was no objection.

#### SENATE BILL AND JOINT RESOLUTION REFERRED

A bill and joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1610. An act to prevent discrimination against graduates of certain schools, and those acquiring their legal education in law offices, in the making of appointments to Government positions the qualifications for which include legal training or legal experience; to the Committee on the Civil Service.

S. J. Res. 176. Joint resolution providing for participation by the United States in the celebration to be held at Fort McHenry on September 14, 1939, in celebration of the one hundred and twenty-fifth anniversary of the writing of the Star-Spangled Banner; to the Committee on the Library.

#### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4646. An act to provide means by which certain Filipinos can emigrate from the United States;

H. R. 4647. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

H. R. 5137. An act to prohibit the purchase of beer on credit by retailers in the District of Columbia;

H. R. 5735. An act to authorize the acquisition of additional land for military purposes;

H. R. 6065. An act to authorize major overhauls for certain naval vessels, and for other purposes;

H. R. 6205. An act to provide for additional clerk hire in the House of Representatives, and for other purposes;

H. R. 6503. An act relating to the exchange of certain lands in the State of Oregon;

H. J. Res. 342. Joint resolution relating to section 322 of the Agricultural Adjustment Act of 1938, as amended; and

H. J. Res. 343. Joint resolution to amend section 335 (c) of the Agricultural Adjustment Act of 1938, as amended.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1871. An act to prevent pernicious political activities.

#### BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the

President, for his approval, bills and joint resolutions of the House of the following titles:

H. R. 4646. An act to provide means by which certain Filipinos can emigrate from the United States;

H. R. 4647. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

H. R. 5137. An act to prohibit the purchase of beer on credit by retailers in the District of Columbia;

H. R. 5735. An act to authorize the acquisition of additional land for military purposes;

H. R. 6065. An act to authorize major overhauls for certain naval vessels, and for other purposes;

H. R. 6205. An act to provide for additional clerk hire in the House of Representatives, and for other purposes;

H. R. 6503. An act relating to the exchange of certain lands in the State of Oregon;

H. J. Res. 342. Joint resolution relating to section 322 of the Agricultural Adjustment Act of 1938, as amended; and

H. J. Res. 343. Joint resolution to amend section 335 (c) of the Agricultural Adjustment Act of 1938, as amended.

#### ADJOURNMENT

Mr. LEA. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 58 minutes p. m.), the House adjourned until Monday, July 24, 1939, at 12 o'clock noon.

#### COMMITTEE HEARINGS

##### COMMITTEE ON NAVAL AFFAIRS

There will be a meeting of the Committee on Naval Affairs at 10:30 a. m., Monday, July 24, 1939, for the consideration of the conference report on the naval personnel bill, H. R. 4929.

##### COMMITTEE ON INSULAR AFFAIRS

There will be a meeting of the Committee on Insular Affairs on Tuesday, July 25, 1939, at 10 a. m., for the consideration of H. R. 6197, creating the Puerto Rico Water Resources Authority, and for other purposes; and S. 2784, to amend section 4 of the act entitled "An act to provide a civil government for the Virgin Islands of the United States," approved June 22, 1936.

##### COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, July 26, 1939, at 10 a. m., for the consideration of H. R. 793, H. R. 3521, House Joint Resolution 288, House Joint Resolution 290, and S. 72.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1035. A letter from the Acting Secretary of the Navy, transmitting the draft of a proposed bill to permit per-diem employees of the Naval Establishment to work more than 8 hours per day under certain circumstances; to the Committee on Naval Affairs.

1036. A letter from the Attorney General, transmitting the draft of a proposed bill to provide for the seizure and forfeiture of motor vehicles, vessels, aircraft, and other conveyances used in the commission of certain offenses; to the Committee on the Judiciary.

1037. A letter from the Acting Secretary of the Department of Commerce, transmitting the draft of a proposed bill to amend section 4472 of the Revised Statutes to provide for the safe carriage of explosives or other dangerous articles on board vessels; to the Committee on Merchant Marine and Fisheries.

1038. A letter from the Secretary, Reconstruction Finance Corporation, transmitting a copy of the resolutions adopted by the board of directors of the Reconstruction Finance Corporation in connection with the resignation of Hon. Jesse H.

Jones as chairman and member of the board; to the Committee on Banking and Currency.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BUCKLER of Minnesota: Committee on Indian Affairs. H. R. 6054. A bill authorizing the Secretary of the Interior to pay salaries and expenses of tribal officials of the Minnesota Chippewa Tribe; without amendment (Rept. No. 1248). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 268. Resolution providing for the consideration of H. R. 7096, a bill to amend an act entitled "An act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes"; without amendment (Rept. No. 1249). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 269. Resolution providing for the consideration of House Joint Resolution 367, a joint resolution to authorize the Secretaries of War and of the Navy to assist the governments of American republics to increase their military and naval establishments, and for other purposes; without amendment (Rept. No. 1250). Referred to the House Calendar.

Mr. CELLER: Committee of conference. S. 2150. An act to amend section 8 of the act entitled "An act to supplement laws against unlawful restraints and monopolies, and for other purposes," particularly with reference to interlocking bank directorates, known as the Clayton Act (Rept. No. 1251). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. WHITE of Idaho: Committee of conference. H. R. 6984. A bill to provide a feasible and comprehensive plan for the variable payment of construction charges on United States reclamation projects, to protect the investment of the United States in such projects, and for other purposes (Rept. No. 1252). Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. DELANEY: Committee on Rules. House resolution 270. Resolution providing for the consideration of H. R. 6830, a bill to authorize the construction of new buildings for the Navy Department in the District of Columbia; without amendment (Rept. No. 1253). Referred to the House Calendar.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7320. A bill to amend the District of Columbia Revenue Act of 1939, and for other purposes; without amendment (Rept. No. 1254). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBINSON of Utah: Committee on the Public Lands. H. R. 6692. A bill authorizing the Secretary of the Interior to convey certain land to the State of Nevada to be used for the purposes of a public park and recreational site and other public purposes; with amendment (Rept. No. 1255). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5685. A bill to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes," approved August 25, 1937; with amendment (Rept. No. 1259). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5405. A bill authorizing the installation of parking meters and other devices on the streets of the District of Columbia, and for other purposes; without amendment

(Rept. No. 1260). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7086. A bill to provide for insanity proceedings in the District of Columbia; with amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 7314. A bill to amend the act of Congress known as the District of Columbia Alcoholic Beverage Control Act, as amended, to permit the sale of beer to persons seated in automobiles parked upon the premises of the permittee in the District of Columbia; without amendment (Rept. No. 1262). Referred to the House Calendar.

Mr. HEALEY: Committee on the Judiciary. H. R. 7193. A bill prohibiting the use of military uniforms or arms by certain organizations; with amendment (Rept. No. 1263). Referred to the House Calendar.

Mr. STEAGALL: Committee on Banking and Currency. S. 2697. An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad; with amendment (Rept. No. 1264). Referred to the Committee of the Whole House on the state of the Union.

Mr. LESINSKI: Committee on Invalid Pensions. S. 522. An act to provide pensions to members of the Regular Army, Navy, Marine Corps, and Coast Guard who become disabled by reason of their service therein, equivalent to 75 percent of the compensation payable to war veterans for similar service-connected disabilities, and for other purposes; with amendment (Rept. No. 1265). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Ways and Means. H. R. 7263. A bill to permit the importation free of duty of certain literature for distribution at the Golden Gate International Exposition of 1939; without amendment (Rept. No. 1266). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCK: Committee on Ways and Means. H. R. 6687. A bill to authorize the levy of State, Territory, and District of Columbia taxes upon, with respect to, or measured by, sales, purchases, or use of tangible personal property or upon sellers, purchasers, or users of such property measured by sales, purchases, or use thereof occurring in the United States national parks, military and other reservations or sites over which the United States Government may have jurisdiction; without amendment (Rept. No. 1267). Referred to the Committee of the Whole House on the state of the Union.

Mr. BOEHNE: Committee on Ways and Means. H. R. 1648. A bill to provide for the refund or credit of the internal-revenue tax paid on spirits lost or rendered unmarketable by reason of the floods of 1936 and 1967 where such spirits were in the possession of the original taxpayer or rectifier for bottling or use in rectification under Government supervision as provided by law and regulations; with amendment (Rept. No. 1268). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. POAGE: Committee on War Claims. S. 1081. An act for the relief of John B. Jones; without amendment (Rept. No. 1256). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 5953. A bill for the relief of Marie Heinen; without amendment (Rept. No. 1257). Referred to the Committee of the Whole House.

Mr. POAGE: Committee on War Claims. H. R. 1368. A bill for the relief of the Pokegama Sanatorium; without



amendment (Rept. No. 1258). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY:

H. R. 7328. A bill to promote the efficiency of the national defense; to the Committee on Military Affairs.

By Mr. PETERSON of Florida:

H. R. 7329. A bill amending section 8 of the Soil Conservation Domestic Allotment Act, as amended, to authorize the utilization of county committees or associations; to the Committee on Agriculture.

By Mr. RANKIN:

H. R. 7330. A bill to authorize the Administrator of Veterans' Affairs to transfer by quitclaim deed to the Pennsylvania Railroad Co., for right-of-way purposes, a small strip of land at Veterans' Administration facility, Coatsville, Pa.; to the Committee on World War Veterans' Legislation.

By Mr. BLAND:

H. R. 7331. A bill to amend section 601 (c) (8) (A) of the Revenue Act of 1932, as amended; to the Committee on Ways and Means.

By Mr. BULWINKLE:

H. R. 7332. A bill to discharge national banks in the process of voluntary dissolution from all liability with respect to certain dormant claims; to the Committee on Banking and Currency.

By Mr. MARTIN of Iowa:

H. R. 7333. A bill to provide for the increase in certain pensions payable under section 6 of the Railroad Retirement Act of 1937; to the Committee on Interstate and Foreign Commerce.

By Mr. SABATH:

H. Res. 268. Resolution for the consideration of H. R. 7096; to the Committee on Rules.

H. Res. 269. Resolution for the consideration of House Joint Resolution 367; to the Committee on Rules.

H. Res. 270. Resolution for the consideration of H. R. 6830; to the Committee on Rules.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARTON:

H. R. 7334. A bill for the relief of Nicholas G. Niedermiller, Peter A. Beklemishev, and Nicholas M. Tikhmenev; to the Committee on War Claims.

By Mr. HEINKE:

H. R. 7335. A bill granting a pension to Ulysses H. Franklin; to the Committee on Invalid Pensions.

By Mr. O'BRIEN:

H. R. 7336. A bill granting an increase of pension to Mary A. Ward; to the Committee on Invalid Pensions.

By Mr. PETERSON of Florida:

H. R. 7337. A bill for the relief of Harriet T. Johnston; to the Committee on War Claims.

By Mr. WOOD:

H. R. 7338. A bill for the relief of sundry claimants, and for other purposes; to the Committee on War Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4861. By Mr. ASHBROOK: Petition of Robert McCormick, Coshocton, Ohio, and 496 others, asking for certain amendments to the relief bill; to the Committee on Appropriations.

4862. By Mr. BARRY: Petition of the New York Board of Trade, Inc., New York City, concerning the Mead-Allen bill; to the Committee on Banking and Currency.

4863. By Mr. JOHNS: Resolution of the County Board of Marinette County, Wis., in regular session duly assembled, requesting that they go on record as being opposed to the de-

crease in Works Progress Administration rolls by the Federal Government at this time, and that Congress be memorialized as herein provided; to the Committee on Appropriations.

4864. By Mr. LUTHER A. JOHNSON: Petition of Frank Harlen, of Palmer; G. B. Arnold, of Ennis; R. R. Morrel, of Milford; Cary Wilson and W. W. Hart, of Waxahachie, all of the State of Texas, favoring House bill 6749; to the Committee on Agriculture.

4865. By Mr. KEOGH: Petition of the United Mine Workers of America, favoring the passage of Senate bill 2420 and House bill 6352; to the Committee on Mines and Mining.

4866. Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Cleveland, Ohio, concerning the Lea bill, substitute for Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

4867. Also, petition of Barnwell Bros., Inc., New York City, concerning the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4868. Also, petition of William Feinberg, secretary, Local 802, American Federation of Musicians, New York, urging support of House bill 3840; to the Committee on Military Affairs.

4869. Also, petition of the Allied States Association of Motion Picture Exhibitors, Washington, D. C., favoring the passage of Senate bill 280; to the Committee on Interstate and Foreign Commerce.

4870. Also, petition of the Vessel Owners and Captains Association, Philadelphia, Pa., concerning the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4871. Also, petition of the Southern Transportation Co., Philadelphia, Pa., concerning the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4872. Also, petition of A. L. Burbank & Co., New York City, concerning the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4873. Also, petition of Strohmeier & Arpe Co., New York City, concerning enactment of House bill 7003; to the Committee on Ways and Means.

4874. By Mr. PFEIFER: Petition of the National Knitted Outerwear Association, New York City, concerning House bill 944, the Wool Labeling Act of 1939; to the Committee on Interstate and Foreign Commerce.

4875. By Mr. KEOGH: Petition of the Union Barge Line Corporation, Pittsburgh, Pa., concerning the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4876. By Mr. LAMBERTSON: Petition of Mrs. Stewart Sayles and 18 other Meriden, Kans., citizens, urging Congress to do everything possible to keep our country out of a foreign war; to the Committee on Foreign Affairs.

4877. By Mr. PFEIFER: Petition of A. L. Burbank & Co., New York City, opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4878. Also, petition of the Vessel Owners and Captains Association, Philadelphia, Pa., opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4879. Also, petition of the Merchants Association of New York, opposing enactment of the Lea bill and Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

4880. Also, petition of Local 802, American Federation of Musicians, New York City, urging support of House bill 3840; to the Committee on Military Affairs.

4881. Also, petition of the Union Barge Line Corporation, Pittsburgh, Pa., opposing the Lea transportation bill; to the Committee on Interstate and Foreign Commerce.

4882. Also, petition of the Allied States Association of Motion Picture Exhibitors, Washington, D. C., favoring the enactment of Senate bill 280; to the Committee on Interstate and Foreign Commerce.

4883. Also, petition of the Strohmeier & Arpe Co., New York City, approving enactment of House bill 7003; to the Committee on Ways and Means.

4884. By Mr. KEOGH: Petition of the National Knitted Outerwear Association, New York City, concerning House bill 944, the wool labeling act; to the Committee on Interstate and Foreign Commerce.

4885. By Mr. TENEROWICZ: Resolution of the Michigan Federation of Post Office Clerks, petitioning Congress for the appointment of a joint congressional commission for the purpose of investigating conditions surrounding the employment of substitute post-office clerks in first- and second-class offices, and clerks in third-class post offices, with the view of recommending needed and desirable legislation to the next session of the Congress; to the Committee on the Post Office and Post Roads.

4886. By the SPEAKER: Petition of the Descendants of the American Revolution, Washington, D. C., petitioning consideration of their resolution with reference to House bills 4860, 5138, 5643, 6075, and Senate bill 409; to the Committee on Ways and Means.

## SENATE

MONDAY, JULY 24, 1939

(Legislative day of Tuesday, July 18, 1939)

The Senate met at 12 o'clock meridian on the expiration of the recess.

The Reverend Duncan Fraser, assistant rector, Church of the Epiphany, Washington, D. C., offered the following prayer:

O God, who makest us glad with the weekly remembrance of the glorious resurrection of Thy Son, our Lord, vouchsafe us this day such blessing through our remembrance of Thee, that the week to come may be spent in Thy service, and we may conclude our labors without haste in all faithfulness and diligence, to Thy greater glory and the welfare of this Nation. Through Jesus Christ, Thy Son, our Lord. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, July 21, 1939, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	La Follette	Russell
Andrews	Ellender	Lee	Schwartz
Ashurst	Frazier	Logan	Schwellenbach
Austin	George	Lucas	Sheppard
Bailey	Gerry	Lundeen	Shipstead
Bankhead	Gibson	McCarran	Stewart
Barbour	Gillette	McKellar	Taft
Barkley	Glass	McNary	Thomas, Okla.
Bilbo	Green	Maloney	Thomas, Utah
Bone	Guffey	Mead	Tobey
Borah	Gurney	Miller	Townsend
Bridges	Harrison	Minton	Truman
Bulow	Hatch	Murray	Tydings
Burke	Hayden	Neely	Vandenberg
Byrd	Herring	Norris	Van Nuys
Byrnes	Hill	Nye	Wagner
Capper	Holman	O'Mahoney	Walsh
Chavez	Holt	Overton	Wheeler
Clark, Idaho	Hughes	Pepper	White
Connally	Johnson, Calif.	Pittman	Wiley
Danaher	Johnson, Colo.	Radcliffe	
Davis	King	Reed	

Mr. MINTON. I announce that the Senator from North Carolina [Mr. REYNOLDS], the Senator from New Jersey [Mr. SMATHERS], and the Senator from South Carolina [Mr. SMITH] are detained from the Senate because of illness in their families.

The Senator from Michigan [Mr. BROWN], the Senator from Arkansas [Mrs. CARAWAY], the Senator from Missouri [Mr. CLARK], and the Senator from Illinois [Mr. SLATTERY] are absent on important public business.

The Senator from Ohio [Mr. DONAHEY] is unavoidably detained.

Mr. AUSTIN. I announce that the Senator from Massachusetts [Mr. LODGE] is absent on official business.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

### MESSAGE FROM THE HOUSE DURING RECESS—ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Under authority of the order of the 21st instant,

On July 22, 1939, the following message from the House of Representatives was received by the Secretary:

That the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 1871. An act to prevent pernicious political activities;

H. R. 4646. An act to provide means by which certain Filipinos can emigrate from the United States;

H. R. 4647. An act to increase the amount of Federal aid to State or Territorial homes for the support of disabled soldiers and sailors of the United States;

H. R. 5137. An act to prohibit the purchase of beer on credit by retailers in the District of Columbia;

H. R. 5735. An act to authorize the acquisition of additional land for military purposes;

H. R. 6065. An act to authorize major overhauls for certain naval vessels, and for other purposes;

H. R. 6205. An act to provide for additional clerk hire in the House of Representatives, and for other purposes;

H. R. 6503. An act relating to the exchange of certain lands in the State of Oregon;

H. J. Res. 342. Joint resolution relating to section 322 of the Agricultural Adjustment Act of 1938, as amended; and

H. J. Res. 343. Joint resolution to amend section 335 (c) of the Agricultural Adjustment Act of 1938, as amended.

### FELICITATIONS TO JESSE H. JONES

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Reconstruction Finance Corporation, enclosing copy of resolutions adopted by the Board of Directors of that Corporation in connection with the resignation of Jesse H. Jones as Chairman and a member of the Board and his appointment as Federal Loan Administrator, and extending congratulations to Mr. Jones for services rendered and also felicitating him upon undertaking the new position in charge of the Federal Loan Agency, which, with the accompanying paper, was referred to the Committee on Banking and Currency.

### CARRIAGE OF EXPLOSIVES AND OTHER DANGEROUS ARTICLES ON VESSELS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to amend section 4472 of the Revised Statutes (U. S. C., 1934 edition, title 46, sec. 465) to provide for the safe carriage of explosives or other dangerous or semidangerous articles or substances on board vessels; to make more effective the provisions of the International Convention for Safety of Life at Sea, 1929, relating to the carriage of dangerous goods; and for other purposes, together with a memorandum of the Director of the Bureau of Marine Inspection and Navigation explaining the purpose of the proposed legislation, which, with the accompanying papers, was referred to the Committee on Commerce.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution, in the nature of a petition, of the Legislature of Wisconsin, praying that the Federal Surplus Commodities Corporation purchase dairy and cheese products of Wisconsin for distribution to relief agencies so that the market and prices for the farmer will be protected and restored, which was referred to the Committee on Agriculture and Forestry.

(See resolution printed in full when presented by Mr. WILEY on the 17th instant, p. 9211, CONGRESSIONAL RECORD.)

The VICE PRESIDENT also laid before the Senate the petition of members of the Workers Alliance of America, of Pampa, Tex., praying for the enactment of legislation to restore the art and other so-called white-collar projects